



Certified Buyer Agent Expert

Advanced Buyer Agency Strategies & Negotiations



How to Offer Superior Value to Clients in any Market Conditions

CBAE
Certified Buyer Agent Expert

(CBAE) Designation Course Session 2

NOTICES

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COURSE LEARNING OBJECTIVES

By the end of this course students will be able to:

- Identify the purpose and approaches to developing a concise value summary statement and/or tagline that provides transparency to consumers
- Recall how to develop a value summary statement and/or tagline for a buyer
- Identify and recall how to develop exceptional service features and benefits for buyers
- Recall how to explain an Effective Value Proposition to aid consumer understanding of what to expect from a working relationship
- Recall how to assure prospective clients of a licensee's credentials
- Recall how to explain representation agreement options to a buyer
- Recall how to explain brokerage compensation options to a buyer and the advantages of representation
- Recall the importance of maintaining high professional standards; define the exchange principle and how it may be used in negotiations
- Recall how to guide a buyer through discussions related to the options for representation agreements
- Identify resources for further advancements in buyer representation
- Recall the NAR Code of Ethics process for negotiating representation agreements



CHAPTER

CREATING AND COMMUNICATING YOUR EFFECTIVE VALUE PROPOSITION (EVP)

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CHAPTER 3

CREATING AND COMMUNICATING YOUR EFFECTIVE VALUE PROPOSITION

VALUE SUMMARY STATEMENT / TAGLINE

Many companies – including your brokerages – have:

- Mission statements or
- Vision statements or
- Core value statements

Or even all three. And if your brokerage has any of these, you should know them and align with them.

In some cases, the corporate documents and statements are quite detailed and specific. Many, many hours are spent developing and fine tuning these summaries. And they are very important in providing guidance on what the company stands for.

Your EVP is similar to these corporate statements. But there are important guidelines when putting your EVP together:

Professional Purpose of Value Statements

- Value statements provide consumers with clear understanding of professional services
- Professional standards require that your value statement aligns with your brokerage's values
- Ethical practice includes transparent articulation of how you protect consumer interests
- Consumer protection is enhanced when services are clearly communicated
- Professional responsibility includes honest representation of capabilities

Consumer Benefits of Clear Value Communication

- Helps consumers make informed decisions about professional representation
- Enables consumers to understand how your services align with their needs
- Reduces confusion about the nature and scope of professional services
- Enhances consumer understanding of protection provided through representation
- Supports consumer autonomy in selecting appropriate professional services

Professional Standards in Value Communication

- Value statements must adhere to ethical guidelines for accuracy and honesty
- Professional responsibility includes avoiding exaggeration or misleading claims
- Consumer protection requires clear distinction between opinion and fact
- Documentation of service capabilities should align with value statements

Alignment with Brokerage Standards

- Your personal value statement should complement your brokerage’s mission and values
- Professional practice includes understanding how your services reflect broader organizational commitments
- Consumer protection is enhanced when individual and organizational values are aligned
- Professional responsibility includes representing both your individual approach and your brokerage’s standards

In developing your value summary statement or tagline, remember that it must accurately represent your services, adhere to professional standards, and enhance consumer understanding of the protection provided through professional representation.

KISS: KEEP IT SUPER SIMPLE!

Your content needs to be written so your buyer will easily understand your value!

Remember: your goal is to grab their attention, communicate the value you offer, and negotiate your compensation accordingly.

Professional Simplicity

- Clear, simple language is a professional responsibility
- Avoid industry jargon that may confuse consumers
- Test your value statement with non-real estate professionals for clarity
- Simple communication demonstrates respect for consumers

Consumer Understanding

- Consumers make better decisions when they clearly understand your services
- Simple explanations build trust and transparency
- Clear communication helps consumers evaluate if your services meet their needs

By keeping your value statement simple and clear, you fulfill your professional responsibility to communicate transparently while helping consumers make informed decisions about representation.

Value Summary Statement (VSS)

Value Summary Statement (VSS) is a short top-level version of **WHAT** you do for your client and **HOW** you do it. The **WHAT** is related to your Benefits and the **How** is related to your Capabilities. How you word your VSS is up to you!

This is the initial “hook” for your Effective Value Proposition. This short summary briefly says **WHAT** you do and **HOW** you do it. The tagline approach says something about you that appeals to your niche client. Both of these approaches have the same objective – to have a client say or think “Tell me more!” You want your Value Summary Statement to create a hunger in your client to hear more about you and how you can satisfy their needs. Importantly, the **WHAT/HOW** statement or tagline differentiates you in an appealing manner.

Be sure you’re advertising your value **ACCURATELY** and **TRUTHFULLY** (No puffing!)

Here are some **WHAT/HOW** examples:

- **(How)** I use my professional negotiation skills to **(What)** protect your interests throughout your transaction
- **(What)** I represent your interests professionally **(How)** through caring, expertise, and a commitment to excellence!
- **(How)** I present your buyer qualifications professionally so **(What)** you can get your ideal home!

- **(What)** Exceptional results through **(How)** professionalism, expertise, and trust!
- **(How)** My passion and expertise **(What)** leads straight to the door of your dreams!
- **(How)** Trustworthy, expert skills, and a proven track record! I would be honored to interview for the job of **(What)** helping you achieve your dreams!

The **Tagline** approach is an option for creating the “Hook” in your marketing. A tagline attempts to grab attention with a clever or attractive or appealing short line. Major companies have created memorable taglines or slogans:

- “Have it your way!” – Burger King
- “Just Do It!” – Nike
- “Think Different.” – Apple

Here are some tagline examples focused on certain client groups:

- *Professional representation throughout your home buying process*
- *Your orders + professional standards = Protected interests in your home purchase*
- *Relocation specialist: This town IS big enough for both of us!*
- *Home buyers: Let my decades of experience ensure years of happiness in your new home*
- *My experience makes your home-buying experience the best experience!*
- *Puzzled about buying or selling your home? I have all the pieces!*
- *I have all the solutions for the best home buying experience ever!*

You have unlimited ways of creating your Value Summary Statement. This short synopsis will give potential clients a glimpse of who you are and what you can do for them. Remember that it represents your professional commitment to consumers. It should clearly communicate how your services protect their interests while adhering to professional standards for honest, transparent communication.

An Expert

We use the same definition for “expert” as the Federal Trade Commission (FTC).

It basically states that an expert is someone who has superior knowledge to the ordinary or average person. Very few agents ever receive any negotiation or related skill training. Your designation and the training you receive in the course elevates your training and experience above that of “ordinary” agents.

Professional responsibility of expertise

- Expertise carries an ethical obligation to maintain and apply that knowledge
- Professional standards require ongoing education to maintain expertise
- Specialized knowledge should be used to enhance consumer protection
- Ethical practice includes accurately representing your level of expertise
- Consumers rely on your expertise for guidance and protection

Consumer benefits of professional expertise

- Specialized knowledge helps consumers navigate complex transactions
- Expert guidance enables more informed consumer decision-making
- Professional expertise reduces consumer risk throughout the process
- Expert representation provides enhanced consumer protection

When communicating your expertise, remember that it represents a professional responsibility to provide superior service and protection to consumers. Your specialized knowledge should be applied ethically to enhance consumer outcomes and maintain the highest professional standards.

Here is a simple Value Summary Statement for the Real Estate Negotiation Institute:

- **(How)** Through industry-leading, innovative content and expert instructors, we **(What)** MAKE *YOU* THE EXPERT!
- Expert or Ex-agent. Your choice!

KEY TAKEAWAY

Your Value Summary Statement or Tagline should grab the attention of your prospective buyer and encourage more interaction.

Below is the first page of our EFFECTIVE VALUE PROPOSITION WORKSHEET (located at back of this workbook). Spend a few minutes completing this page to start the development of your Value Summary Statement.)

EXERCISE

EFFECTIVE VALUE PROPOSITION WORKSHEET BUYER AGENT - BUYER

GUIDELINES:

- Your Effective Value Proposition always focuses on the Buyer's *needs, expectations, wants, priorities & outcomes*
- Your Effective Value Proposition should clearly communicate your capabilities and benefits for Buyers.
- You must differentiate yourself and show why you are a better choice than your competition.

This EVP focuses on:

- | | | |
|--|---------------------------------------|--|
| <input type="checkbox"/> General Buyer | <input type="checkbox"/> Military | <input type="checkbox"/> First-Time Home Buyer |
| <input type="checkbox"/> Investor | <input type="checkbox"/> Generation | <input type="checkbox"/> Luxury |
| <input type="checkbox"/> Urban | <input type="checkbox"/> Other: _____ | |

EXERCISE (CONT...)

EFFECTIVE VALUE PROPOSITION WORKSHEET

BUYER AGENT - BUYER

My niche group buyer's general needs, wants, expectations, and priorities in the following areas are:

Area	Top Level Needs, Expectations, Wants, Priorities & Outcomes
Their Agent	
Solutions for Problems	
Overall Experience	

VALUE SUMMARY STATEMENT

WHAT I do for my buyer and HOW (in general) I do it:

- _____
- _____
- _____

TAGLINE

- _____
- _____
- _____

FEATURES AND BENEFITS THAT DIFFERENTIATE

Features are the individual activities or elements of your services or product. Features describe “how” you provide or deliver your benefit to your client. This is all about helping the potential client understand your professional strengths. They need to know how you can help them ultimately achieve their goals.

For example, the “expert negotiation skills” feature of your service provides “better results” for your client. Your “Tiered Professional Service Standards Program” feature provides the “best experience in real estate”. Features can be expressed different ways, but each feature must address the “so what?” for the client. What is the benefit that makes the feature valuable to your buyer?

In the preferred sequence of an effective Buyer Presentation (see notes at the end of this manual) the Buyer Agent will first identify what is needed by and important to the buyer. Then, the Buyer Agent can match specific features of their service to specific needs or wants of the buyer. This approach deals directly with the “so what” because you carefully match your feature to the desired benefit for the buyer.

Benefits must be related directly to your client’s situation. After introducing the feature, state “**What this means for you is...**” and then state the benefit(s). Personalizing the benefit to your client’s situation (needs, expectations, wants, priorities, or outcomes) shows you have listened to them and builds trust and confidence.

For example, if a Buyer needs a good mortgage lender you can point to your “Complete Financial Analysis” feature to help the Buyer understand their potential loan options. If a Buyer is hesitant to enter into a strong Seller’s market because of multiple offer situations, you can point to your “Professional Presentation of Buyer” feature that elevates the buyer’s attractiveness to both the Seller and Listing Agent. Or you can mention your “ACCE Negotiation Methodology” (if you have earned your Certified Negotiation Expert or CNE designation) feature that helps achieve more attractive outcomes for your buyer.

KEY TAKEAWAY

Buyers buy based on the benefits (and expectations) of your service, not the features. Every feature of your service must communicate a meaningful benefit or benefits!

For some of your service features, the benefits may not be obvious. This will require you to educate your Buyer on the benefits of those features. Ultimately you must ensure the Buyer understands the benefits of every service feature.

“What this means for you is...”

State the benefit you already know your client is looking for or one you know your client might or should be looking for.

DON’T LEAVE IT TO CHANCE THAT THE CLIENT WILL INTUITIVELY UNDERSTAND THE BENEFIT OF SOMETHING YOU DO FOR THEM. MAKE IT CRYSTAL CLEAR AND EASY TO UNDERSTAND.

For homes or properties, we always say: LOCATION, LOCATION, LOCATION For your value to a client, you should always think and convey: BENEFIT, BENEFIT, BENEFIT

This clarity in communication is not just good business practice—it’s a professional responsibility. When you explicitly connect your services to specific consumer benefits, you’re ensuring consumers fully understand the value and protection your representation provides. Professional standards require transparent communication that enables consumers to make informed decisions.

For example, rather than simply stating you have ‘expert negotiation skills,’ explain: ‘What this means for you is that I’ll help protect your interests by identifying potential issues in contract terms that could cost you money or create future problems.’

This approach demonstrates your commitment to consumer protection while helping them understand the tangible benefits of your expertise.

Similarly, when discussing your professional presentation of buyer qualifications, clarify: ‘What this means for you is that your offer will be presented in the most favorable light possible, highlighting your strengths as a buyer to increase your chances of acceptance in competitive situations.’ This transparent explanation helps consumers understand how your services directly benefit them.

Remember that professional representation includes ensuring consumers comprehend not just what you do, but how it specifically protects their interests and helps them achieve their goals. This consumer-focused approach to explaining benefits demonstrates your commitment to professional standards and ethical practice.

Benefits

- Heart of Effective Value Proposition
- Personal – “eye of the beholder”
- Personalize - to buyer’s NEWPO
- Some not obvious
- Confirm with buyer

Identifying and communicating benefits is a fundamental professional responsibility. The ‘heart of the Effective Value Proposition’ is where consumer protection truly comes alive in your practice. By focusing on benefits rather than features alone, you demonstrate your commitment to putting consumer interests at the center of your professional services.

The personal nature of benefits—‘eye of the beholder’—reflects the professional obligation to understand each consumer’s unique situation and needs. This individualized approach is essential for providing appropriate representation and protection. Professional standards require that we adapt our services to meet specific consumer needs rather than offering one-size-fits-all representation.

Personalizing benefits to the buyer’s NEWPO (Needs, Expectations, Wants, Priorities, and Outcomes) demonstrates your professional commitment to understanding their specific situation. This tailored approach ensures that your representation addresses their particular concerns and protects their individual interests.

Some benefits may not be obvious to consumers, which highlights the professional responsibility to educate them about how your services protect them in ways they might not anticipate. This educational component of professional representation helps consumers make fully informed decisions.

Confirming benefits with the buyer ensures mutual understanding and demonstrates your commitment to transparent communication. This verification process is an essential professional practice that creates accountability and builds trust in the representation relationship.

By thoroughly understanding and effectively communicating benefits, you fulfill your professional obligation to provide consumers with the information they need to make informed decisions about representation while demonstrating your commitment to protecting their interests.

Marketing Materials Format

- Use Top Level for Marketing Materials
 - State both Feature and Benefit
 - List Primary Features and Benefits first
 - List Secondary Features and Benefits next

In keeping with our **KISS** principle (Keep It Super Simple), we start with a top-level approach.

Not all features or activities of your service are equally valued by your clients. We recommend you start with those that could be viewed as Primary or features that you can really differentiate yourself with vs. your competition.

When presenting features and benefits to consumers, remember that professional standards require clear, accurate, and transparent communication. The format you choose for marketing materials should prioritize consumer understanding and highlight the protections your services provide. This organized approach demonstrates your commitment to professional communication and consumer education.

Listing primary features and benefits first helps consumers quickly identify the most significant protections and advantages your representation offers. This prioritization reflects your professional judgment about which services provide the greatest consumer protection and value. When explaining these primary features, emphasize how they specifically enhance consumer protection beyond minimum standards.

Secondary features and benefits, while still important, supplement the core protections your representation provides. When discussing these elements, connect them to specific consumer needs and explain how they contribute to the overall protection your services offer. This comprehensive approach demonstrates your thorough understanding of consumer needs and your commitment to addressing them professionally.

Throughout your presentation of features and benefits, maintain focus on how each element protects consumer interests and helps them achieve their goals. This consumer-centered approach aligns with professional standards for ethical representation and demonstrates your commitment to prioritizing consumer protection in your practice.

By organizing your features and benefits presentation in this clear, prioritized manner, you help consumers make informed decisions about representation while demonstrating your professional approach to transparent communication.

PRESENTING YOUR FEATURES AND BENEFITS

The recommended way to initially present your Features and Benefits is in a top-level summary that conveys both the general feature and overall benefits. This can be done in a professional marketing piece or flyer that identifies the feature and briefly describes the benefit.

Here is a sample top-level list of potential Buyer Agent Features and Benefits.

You should consider incorporating some or all of these into your Effective Value Proposition:

Primary Service Features & Benefits (Heart of Effective Value Proposition):

- **Trusted Advisor Approach** for superior consultation, advice, and results
- **Total Experience Focus:** Influencing outcomes and emotions for best total experience
- **Detailed Buyer Discovery Process** to ensure a deep understanding of all Buyer needs
- **ACCE Negotiation Methodology** for a structured and disciplined approach to negotiating (for CNE graduates)
- **Professional Presentation of Buyer** for ideal Buyer positioning vs. competition
- **Buyer Tiered Professional Service Standards Program** to provide the best Buyer experience in real estate
- **Home Evaluation and Rating Process** to ensure best choices are made
- **Client Satisfaction Guarantee** to deliver highest level of service in real estate
- **Long-Term Professional Relationship Standards** to meet your family housing needs for years to come

These are features or activities that can separate you from your competition based on how you talk about them or execute them.

Right below the Primary features and benefits are what could be called Secondary F & B. These are activities that may be harder to differentiate yourself with or that may not be “valued” as highly as other features by your buyer.

Secondary Service Features & Benefits (Necessary Service Features):

- **Home Buyer Education Process** for informed decision-making
- **Buyer Complete Financial Analysis** to optimize financial opportunities
- **Thorough Market Analysis & Strategy** to plan and achieve outstanding results
- **Legal Documents Review** to ensure your understanding, confidence, and protection
- **Collaborative Network of Experts** for success during and after your purchase
- **Transaction Management Methodology** to ensure on-time closing
- **Buyer Preferred Technology Options** to meet the needs of every client

Your top-level summary of features and benefits can easily be presented in a marketing flyer or brochure. When you meet with your Buyer, you will need to be prepared to expand on any or all of the features/benefits in your Buyer Presentation.

Let’s look at the Agent Version of Features and Benefits.

The summary starts with an average Buyer Agent framework for the services provided for a home buyer.

The rest of this summarizes the Primary features and benefits, followed by the Secondary features and benefits.

Normal Buyer Agent Approach

Normal Buyer Agent Feature	Benefits
Gathering Information	Understand Buyer Situation
Buyer Education Process	General Description of Home Buying Process
Mortgage Lender	Help Buyer Get Pre-Qualified
Show Buyer Homes	Identify Potential Homes and Tour
Negotiate Purchase Contract	Help Buyer with Purchase Contract
Closing	Help Buyer Get to Closing

Trusted Advisor Approach

For superior consultation, advice, and results

Primary EVP Buyer Agent Feature	Benefits
<p>Trusted Advisor Approach</p> <p>➤ MAJOR DIFFERENTIATOR – To create a professional image that adds more value than a “real estate agent”</p>	<p>Exceptional results through professionalism, expertise, and trust</p> <ul style="list-style-type: none"> • Understand needs and desires • Identify options • Discuss pros and cons of each option • Select option • Develop appropriate strategy for success

This approach represents a fundamental professional commitment to consumer protection. The distinction between simply being a ‘real estate agent’ and serving as a ‘trusted advisor’ reflects the higher standard of care and professional responsibility that comes with this designation.

The MAJOR DIFFERENTIATOR—creating a professional image that adds more value than a ‘real estate agent’—should be explained in terms of professional standards and consumer protection. This isn’t just about marketing or image; it’s about a substantive difference in the level of service, expertise, and protection provided to consumers.

The Benefits—each element represents a specific professional responsibility. These aren’t just service features—they’re components of comprehensive consumer protection that go beyond transactional assistance.

The benefit statement ‘Exceptional results through professionalism, expertise, and trust’ should be connected to tangible consumer outcomes. Professionalism means adhering to ethical standards, expertise means applying specialized knowledge to protect consumer interests, and trust means maintaining confidentiality and prioritizing consumer needs throughout the representation relationship.

This Trusted Advisor Approach exemplifies how professional representation should function—focused on consumer education, protection, and advocacy rather than simply facilitating transactions. By adopting this approach, practitioners demonstrate their commitment to the highest professional standards and consumer-centered practice.

Total Experience Focus

Influence outcomes and emotions for best total experience

Primary EVP Buyer Agent Feature	Benefits
<p>Total Experience Focus</p> <p>➤ MAJOR DIFFERENTIATOR – To help Buyer maximize positive emotions and minimize negative emotions during entire home buying process</p>	<p>Influencing outcomes and emotions for best total experience</p> <ul style="list-style-type: none"> • Identifying Buyer primary emotions • Help Buyer experience positive emotions • Help Buyer address negative emotions • Help Buyer resolve causes of any negative emotions

This approach represents a comprehensive professional commitment to consumer well-being throughout the transaction process. The ability to influence both outcomes and emotions demonstrates a deeper understanding of the consumer experience beyond just the technical aspects of the transaction.

The MAJOR DIFFERENTIATOR—helping buyers maximize positive emotions and minimize negative emotions during the entire home buying process—should be framed as an essential component of professional representation. This isn’t simply about making the process pleasant; it’s about recognizing that emotional well-being is directly connected to consumer satisfaction and decision-making capacity.

The Benefits—each element represents a specific professional responsibility. Emotional intelligence in representation helps consumers navigate what is often one of the largest financial decisions of their lives with greater clarity and confidence.

The benefit statement ‘Influencing outcomes and emotions for best total experience’ should be connected to professional standards for consumer care. Professional representation includes attending to both the technical and emotional aspects of the transaction, as both significantly impact consumer outcomes and satisfaction.

This Total Experience Focus exemplifies how professional representation extends beyond paperwork and procedures to encompass the full spectrum of consumer needs. By addressing both practical and emotional aspects of the transaction, practitioners demonstrate their commitment to holistic consumer protection and support.

Detailed Buyer Discovery Process

To ensure a deep understanding of all Buyer needs

Primary EVP Buyer Agent Feature	Benefits
<p>Detailed Buyer Discovery Process</p> <p>➤ MAJOR DIFFERENTIATOR – To gather information about needs, wants, expectations, priorities, and desired outcomes while establishing trust and role as trusted guide</p>	<p>To ensure deep understanding of all buyer needs</p> <ul style="list-style-type: none"> • Information gathering • Probing questions • Demonstrating expertise and trust • Building bridge to solutions

This approach represents a fundamental professional responsibility to thoroughly understand consumer needs before providing representation. This comprehensive information gathering is essential for providing appropriate guidance and protection throughout the transaction.

The MAJOR DIFFERENTIATOR—gathering information about needs, wants, expectations, priorities, and desired outcomes while establishing trust and role as trusted guide—should be framed as a critical foundation for effective consumer protection. This isn’t just about collecting data; it’s about developing a deep understanding of the consumer’s situation to ensure representation is tailored to their specific needs.

The Benefits—each element represents a specific professional responsibility. The discovery process creates the knowledge base necessary for providing informed guidance and protecting consumer interests throughout the transaction.

The benefit statement ‘To ensure deep understanding of all buyer needs’ should be connected to professional standards for consumer representation. Professional representation requires comprehensive knowledge of consumer circumstances to provide appropriate protection and guidance. Without this thorough understanding, representation may fail to address critical consumer needs or concerns.

This Detailed Buyer Discovery Process exemplifies how professional representation begins with thorough information gathering and relationship building. By investing time in understanding consumer needs before taking action, practitioners demonstrate their commitment to providing representation that truly serves consumer interests rather than pursuing transactions without adequate preparation.

Professional Presentation of Buyer Qualifications

For elevated Buyer positioning vs. competition

Primary EVP Buyer Agent Feature	Benefits
<p>Effective Presentation of Buyer Qualifications to Listing Agents and Sellers</p> <p>➤ MAJOR DIFFERENTIATOR – To position buyer advantageously vs. other buyers; to differentiate agent vs. other agents who do not mention this important feature</p>	<p>Elevated Buyer positioning to set you apart for success</p> <ul style="list-style-type: none"> • Buyer Introduction • Buyer offer and counteroffers cover letters • Buyer’s Agent Introduction • Buyer offer and counteroffers presentation

This approach represents a critical professional responsibility to ensure consumers are properly represented in competitive situations. This careful presentation of buyer qualifications helps protect consumer interests by enhancing their position relative to other buyers.

The MAJOR DIFFERENTIATOR—positioning the buyer advantageously versus other buyers and differentiating the agent from others who don’t mention this important feature—should be framed as an essential element of consumer advocacy. This isn’t about marketing the buyer; it’s about ensuring their qualifications are presented professionally to protect their interests in competitive situations.

The Benefits—each element represents a specific professional responsibility. These components work together to ensure the consumer’s qualifications and offer are presented in the most professional manner possible, protecting their interests in the transaction.

The benefit statement ‘Elevated Buyer positioning to set you apart for success’ should be connected to professional standards for consumer representation. Professional representation includes ensuring consumers are presented in the best possible light to protect their interests in competitive situations. This professional presentation can significantly impact transaction outcomes and consumer satisfaction.

Professional Presentation of Buyer Qualifications exemplifies how professional representation extends to every aspect of the transaction, including how the consumer is presented to sellers and listing agents. By carefully managing this presentation, practitioners demonstrate their commitment to comprehensive consumer protection and advocacy throughout the representation relationship.

Near the end of your workbook is a summary of guidelines for writing a Buyer Introduction (or resume) and a Buyer Agent Introduction. Review these after class and use to effectively market your buyer to the Listing Agent and Seller. Your goal is to position your buyer (and yourself) as a low-risk option vs. other options.

When implementing the Professional Presentation of Buyer Qualifications, it’s essential to understand that this practice serves a significant consumer protection function. The professional presentation of buyer qualifications ensures your client’s interests are properly represented.

The guidelines for Buyer Introduction and Buyer Agent Introduction in your workbook provide a framework for professional representation that highlights the consumer’s strengths while maintaining ethical standards. When creating these introductions, focus on factual information that accurately represents the consumer’s qualifications and demonstrates their readiness to complete the transaction successfully.

Professional standards require that all information presented be truthful, verifiable, and relevant to the transaction. This approach protects both the consumer you represent and the other parties to the transaction by ensuring transparency and accuracy in all communications. Avoid exaggeration or unsubstantiated claims that could mislead other parties or create unrealistic expectations.

The goal of positioning your buyer as a ‘low-risk option’ should be understood in terms of demonstrating their readiness and ability to complete the transaction successfully. This isn’t about manipulating perceptions but rather about professionally communicating relevant qualifications that protect your client’s interests in a competitive market.

By professionally presenting buyer qualifications, you fulfill your responsibility to advocate for your client while maintaining ethical standards. This balanced approach demonstrates your commitment to professional representation that protects consumer interests while respecting the integrity of the transaction process.

Tiered Professional Service Standards

To provide the best Buyer experience in real estate

Primary EVP Buyer Agent Feature	Benefits
<p>Tiered Professional Service Standards</p> <p>MAJOR DIFFERENTIATOR – To motivate buyer to want to do business with agent because of special services; differentiates agent from other agents; builds trust and loyalty</p>	<p>Elevated Buyer Treatment in Real Estate</p> <ul style="list-style-type: none"> • Buyer Resale Program • Homes for Heroes • Local Move Program • Handyman for a Day Program • Network of Providers • Priority Buyer Loan Approval Program • Buyer Offer Presentation Program • Priority Communication Program • Client Appreciation Program • Referral Program

This approach represents a structured commitment to providing enhanced consumer protection through clearly defined service levels. These standards establish a framework for consistent, high-quality representation that exceeds minimum requirements.

The MAJOR DIFFERENTIATOR—motivating the buyer to want to do business with the agent because of special services, differentiating the agent from others, and building trust and loyalty—should be framed in terms of professional responsibility and consumer protection. These tiered standards aren’t simply marketing tools; they’re structured approaches to ensuring comprehensive consumer protection throughout the representation relationship.

The Benefits—each element represents a specific professional service designed to enhance consumer protection and satisfaction. These programs should be presented as structured approaches to addressing common consumer needs rather than as marketing gimmicks.

The benefit statement ‘Elevated Buyer Treatment in Real Estate’ should be connected to professional standards for consumer care. Professional representation includes providing clearly defined service standards that ensure consistent, high-quality protection throughout the transaction and beyond. These standards create accountability in the representation relationship and help consumers understand exactly what protections they can expect.

This Tiered Professional Service Standards approach exemplifies how professional representation can be structured to provide comprehensive consumer protection. By establishing clear service standards, practitioners demonstrate their commitment to consistent, high-quality representation that protects consumer interests at every stage of the transaction.

In the back of this manual you’ll find options for Tiered Professional Service Standards Programs. These optional programs can establish clear service expectations with you as their buyer agents vs. other buyer agents who don’t offer structured service standards.

Your bonus materials also include a sample Long-term Professional Relationship Standards document. This is a two-way professional commitment. Parties who establish clear professional standards are more committed to the relationship. Offering this framework to a buyer demonstrates a higher-level commitment to professional representation.

When implementing Tiered Professional Service Standards, it's important to understand that these programs serve a significant consumer protection function by establishing clear expectations and accountability in the professional relationship. These structured service standards help consumers understand exactly what protections and services they can expect throughout the representation process and beyond.

The Tiered Professional Service Standards Program outlined in your guide provides a framework for comprehensive consumer protection that addresses various aspects of the transaction process. When presenting these standards to consumers, emphasize that they represent your professional commitment to providing consistent, high-quality representation that protects their interests at every stage of the transaction.

The Long-term Professional Relationship Standards should be presented as a professional documentation tool that clarifies the responsibilities of both parties in the ongoing representation relationship. This mutual commitment creates transparency and accountability, which are essential elements of professional representation. The standards should clearly outline the specific protections and services the consumer will receive over time, as well as any expectations regarding their participation in the process.

Professional standards require that all service programs and relationship standards be presented truthfully and transparently, with clear explanation of both benefits and limitations. This approach protects consumers by ensuring they have accurate information when making decisions about representation. Avoid presenting these programs as guarantees of specific outcomes, as this could create unrealistic expectations.

By implementing structured service standards and clear relationship frameworks, you fulfill your responsibility to provide transparent, consistent representation that protects consumer interests both during and after the transaction. This professional approach demonstrates your commitment to ethical practice and long-term consumer protection.

Home Evaluation and Rating Process

To ensure best choices are made

Primary EVP Buyer Agent Feature	Benefits
<p>Home Evaluation and Rating Process</p> <p>MAJOR DIFFERENTIATOR – Disciplined process to ensure buyer evaluates all properties using the same criteria so best overall home is selected</p>	<p>Detailed approach to ensuring you make the best choice for you and your family</p> <ul style="list-style-type: none"> • Buyer's Desires and Limitation Summary • Prioritization of Needs and Wants • Specific home showings and evaluations • Final overall home rating

This approach represents a systematic professional methodology for ensuring consumers make informed decisions based on consistent criteria. This structured evaluation process helps protect consumers from making emotional or impulsive decisions that might not serve their long-term interests.

The MAJOR DIFFERENTIATOR—a disciplined process to ensure the buyer evaluates all properties using the same criteria so the best overall home is selected—an essential consumer protection tool. This isn't simply about organizing home tours; it's about implementing a professional methodology that helps consumers make consistent, well-informed decisions about what is likely the largest purchase of their lives.

The Benefits—each element represents a specific professional responsibility. These components work together to create a comprehensive evaluation framework that protects consumers by ensuring their decisions align with their stated needs and priorities.

The benefit statement ‘Detailed approach to ensuring you make the best choice for you and your family’ should be connected to professional standards for consumer guidance. Explain that professional representation includes providing structured methodologies that help consumers navigate complex decisions. This systematic approach protects consumers by reducing the influence of emotional reactions or marketing tactics that might lead to suboptimal decisions.

This Home Evaluation and Rating Process exemplifies how professional representation includes implementing structured methodologies that enhance consumer decision-making. By providing a consistent framework for property evaluation, practitioners demonstrate their commitment to helping consumers make well-informed decisions that truly serve their interests.

Client Satisfaction Guarantee

To deliver highest level of service in real estate

Primary EVP Buyer Agent Feature	Benefits
<p>Client Satisfaction Guarantee</p> <p>MAJOR DIFFERENTIATOR – To Provide buyers with clear accountability standards and service commitments that establish measurable expectations for the professional relationship</p>	<p>Commitment and dedication to highest level of service</p> <ul style="list-style-type: none"> • Uncompromising service • Spotlight on YOU • Collaborative, flexible approach • Servant mindset

This approach represents a professional commitment to accountability and service quality. This guarantee establishes clear standards for representation and creates a framework for addressing any concerns that might arise during the professional relationship.

The MAJOR DIFFERENTIATOR—To Provide buyers with clear accountability standards and service commitments that establish measurable expectations for the professional relationship. This isn’t simply about promising satisfaction; it’s about establishing specific service standards and creating a process for addressing any shortcomings in the representation provided.

The Benefits—each element represents a specific professional commitment. These components work together to create a comprehensive service framework that protects consumers by ensuring their representation consistently meets high professional standards.

The benefit statement ‘Commitment and dedication to highest level of service’ should be connected to professional standards for consumer representation. Professional representation includes establishing clear service standards and accountability mechanisms. This transparent approach protects consumers by creating recourse if representation falls short of established standards.

This Client Satisfaction Guarantee exemplifies how professional representation includes establishing clear accountability mechanisms. By providing specific service standards and a process for addressing concerns, practitioners demonstrate their commitment to consistent, high-quality representation that protects consumer interests throughout the transaction.

Long-term Professional Relationship Standards

To meet your family housing needs for years to come

Primary EVP Buyer Agent Feature	Benefits
<p>Long-term Professional Relationship Standards</p> <p>MAJOR DIFFERENTIATOR – To establish expectation of ongoing relationship for future business; to increase agent sphere of influence; to generate future referrals</p>	<p>Meeting all of your family housing needs for years to come</p> <ul style="list-style-type: none"> • Regular communications • Market updates • Equal commitment to family members and all referrals

This approach represents a commitment to ongoing consumer protection that extends beyond the immediate transaction. These standards establish a framework for continued professional support that helps consumers navigate future real estate needs with confidence.

The MAJOR DIFFERENTIATOR—establishing expectation of ongoing relationship for future business, increasing agent sphere of influence, and generating future referrals—should be framed in terms of continued consumer protection and support. This isn’t simply about securing future business; it’s about creating a lasting professional relationship that provides consumers with reliable guidance and protection for all their real estate needs over time.

The Benefits—each element represents a specific professional responsibility. These components work together to create a comprehensive framework for ongoing support that protects consumers by ensuring they have access to professional guidance whenever they need it.

The benefit statement ‘Meeting all of your family housing needs for years to come’ should be connected to professional standards for long-term consumer support. Professional representation includes establishing mechanisms for continued guidance and protection. This ongoing relationship protects consumers by providing them with reliable professional support for future real estate decisions.

These Long-term Professional Relationship Standards exemplify how professional representation extends beyond the immediate transaction to provide continued consumer protection. By establishing clear standards for ongoing support, practitioners demonstrate their commitment to serving as a trusted resource for all consumer real estate needs, creating continuity of protection and guidance over time.

Home Buyer Education Process

For informed decision-making

Secondary EVP Buyer Agent Feature	Benefits
<p>Home Buyer Education Process</p> <p>DIFFERENTIATOR – Establish credibility and expertise to help buyer feel comfortable with and informed about the home buying process</p>	<p>Ensure informed decision-making</p> <ul style="list-style-type: none"> • Expectations setting • Use of checklists and templates • Identify needs, wants, and desires • Home search • Home tours and evaluations • Negotiate planning and execution • Execute purchase contract • Close on home • Start your dream!

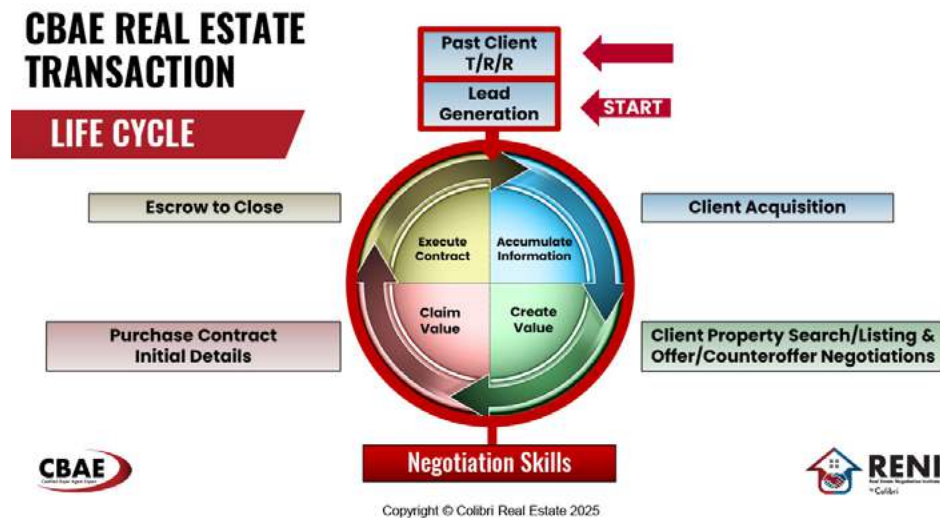
This approach represents a fundamental professional responsibility to ensure consumers understand the complex transaction they're undertaking. This educational process helps protect consumers by providing them with the knowledge needed to make informed decisions throughout the home buying journey.

The DIFFERENTIATOR—establishing credibility and expertise to help the buyer feel comfortable with and informed about the home buying process—an essential consumer protection function. This isn't simply about demonstrating knowledge; it's about fulfilling the professional obligation to educate consumers about the significant transaction they're undertaking and the potential risks and considerations involved.

The Benefits—each element represents a specific educational component. These components work together to create a comprehensive educational framework that protects consumers by ensuring they understand each step of the process and can participate meaningfully in decisions.

The benefit statement 'Ensure informed decision-making' should be connected to professional standards for consumer education. Explain that professional representation includes providing comprehensive education about the transaction process. This educational approach protects consumers by enabling them to make informed decisions and recognize potential issues or concerns throughout the process.

This Home Buyer Education Process exemplifies how professional representation includes a significant educational component. By providing structured education about the transaction process, practitioners demonstrate their commitment to empowering consumers with the knowledge needed to protect their own interests while benefiting from professional guidance.



T/R/R stands for Testimonials, Ratings, and Referrals

The components of our ACCE model (inside of circle): Accumulate Information, Create Value, Claim Value, and Execute Contract, facilitate every aspect of the real estate transaction. (Review each part of the cycle and the corresponding ACCE component)

- Lead generation involves identifying potential home buyers and sellers. Lead conversion is the process of taking a potential client and engaging them to establish a professional relationship. You must 'inform' the potential client directly (marketing) or indirectly (referral) to contact you. Then you must 'discuss and establish' the representation agreement.
- We then gather or Accumulate Information about their needs and interests to buy or sell.

- We then Create value by listing a home or searching for a suitable home for our buyer, and then by making a series of ‘offers and counteroffers’ - negotiating - to reach agreement on the initial terms of the purchase contract.
- Value is ultimately Claimed by negotiating the final contract details.
- We then must Execute the contract making sure that all milestones, dates and contingencies are monitored and completed in a timely fashion for closing to occur.

Then we invite past clients to share their experience through testimonials, ratings, and referrals.

Professional negotiation skills and effective client communication are essential in every aspect of real estate representation.

The **Negotiation Skills Life Cycle**, This model represents a comprehensive framework for professional representation throughout the transaction process. Each component of the ACCE model corresponds to specific professional responsibilities that protect consumer interests at different stages of the transaction.

The **Accumulate Information** phase fulfills the professional responsibility to thoroughly understand consumer needs and circumstances before taking action. This information-gathering process is essential for providing appropriate guidance and protection tailored to the consumer’s specific situation. Professional standards require comprehensive information gathering to ensure representation addresses all relevant consumer concerns.

The **Create Value** phase demonstrates the professional responsibility to identify and develop opportunities that serve consumer interests. This includes not only finding suitable properties but also structuring offers that protect consumer interests while creating viable paths to agreement. Professional representation includes applying specialized knowledge to create favorable conditions for consumers.

The **Claim Value** phase fulfills the professional responsibility to advocate effectively for consumer interests during negotiations. This includes not only securing favorable terms but also ensuring consumers understand the implications of various options. Professional standards require balancing advocacy with ethical considerations and transparency.

The **Execute Contract** phase demonstrates the professional responsibility to provide thorough oversight throughout the closing process. This includes monitoring deadlines, coordinating with other professionals, and addressing any issues that arise. Professional representation includes ensuring all contractual obligations are fulfilled to protect consumer interests.

Throughout this cycle, professional standards require maintaining clear communication, documenting key decisions, and ensuring consumers understand each step of the process. This comprehensive approach to transaction management demonstrates commitment to professional representation that protects consumer interests at every stage.

YOUR CBAE HOME BUYER PROCESS



Using RENI's transaction life cycle model, we can list the major home buying steps in each phase for a homebuyer. This could serve as a '**Home Buyer Process Model**' to use with the buyer while showing how important negotiation skills are throughout the entire life cycle process.

This comprehensive framework serves multiple professional purposes. First, it provides a structured approach to consumer education, ensuring buyers understand each step of the transaction process. Second, it establishes clear expectations about the professional services provided at each stage. Third, it demonstrates the value of professional representation throughout the transaction journey.

The **Client Acquisition** phase fulfills the professional responsibility to establish clear understanding of services and representation. This includes the discovery conversation, confirming client situation, addressing questions or concerns, discussing compensation transparently, establishing the representation agreement, and reviewing the home buying process. Professional standards require thorough education and documentation during this initial phase to ensure consumers make informed decisions about representation.

The **Information Gathering** phase demonstrates the professional responsibility to develop comprehensive understanding of the consumer's financial situation and property needs. This includes securing appropriate financing, identifying all costs and expenses, conducting property searches and showings, selecting preferred properties, and determining offer strategy. Professional representation includes providing guidance that helps consumers make financially sound decisions aligned with their needs and capabilities.

The **Purchase Contract** phase fulfills the professional responsibility to advocate effectively for consumer interests during offer and acceptance. This includes offers and counteroffers, clarification of terms, signing the purchase contract, managing the earnest money deposit, identifying inspection resources, coordinating the appraisal, and opening escrow. Professional standards require balancing advocacy with ethical considerations and ensuring consumers understand all contractual obligations.

The **Escrow to Closing** phase demonstrates the professional responsibility to provide thorough oversight throughout the closing process. This includes executing contingencies, managing milestones and deadlines, finalizing terms and items for closing, conducting the final walk-through, reviewing documents, signing, and closing. Professional representation includes ensuring all contractual obligations are fulfilled to protect consumer interests.

By presenting this comprehensive process model to consumers, you fulfill your professional responsibility to provide education about the transaction while demonstrating the value of professional representation at each stage. This transparent approach helps consumers understand both the process and the protections provided through professional representation.

Buyer Complete Financial Analysis

To optimize financial opportunities

Secondary EVP Buyer Agent Feature	Benefits
<p>Buyer Complete Financial Analysis</p> <p>DIFFERENTIATOR – To provide buyer with appropriate financial resources for expert guidance on understanding option</p>	<p>Understanding and planning based on your financial situation and opportunities</p> <ul style="list-style-type: none"> • Mortgage lender process and options • Buyer Fast Pre-Approval • CFP (Certified Financial Planner) review if necessary / desirable • Home investment guidance as required • Complete cost and risk analysis of home buying process

This approach represents a critical professional responsibility to ensure consumers understand the financial implications of their real estate decisions. This comprehensive analysis helps protect consumers by providing them with the information needed to make financially sound decisions aligned with their long-term interests.

The DIFFERENTIATOR—providing the buyer with appropriate financial resources for expert guidance on understanding options—should be framed as an essential consumer protection function. This isn’t simply about connecting buyers with lenders; it’s about ensuring consumers have access to comprehensive financial guidance that helps them understand all aspects of the financial commitment they’re undertaking.

The Benefits (Mortgage lender process and options, Buyer Fast Pre-Approval, CFP review if necessary/desirable, Home investment guidance as required, Complete cost and risk analysis of home buying process), each element represents a specific professional responsibility. These components work together to create a comprehensive financial framework that protects consumers by ensuring they understand both the immediate and long-term financial implications of their decisions.

The benefit statement ‘Understanding and planning based on your financial situation and opportunities’ should be connected to professional standards for consumer financial education. Professional representation includes ensuring consumers have access to appropriate financial guidance. This educational approach protects consumers by enabling them to make informed financial decisions throughout the transaction process.

This Buyer Complete Financial Analysis exemplifies how professional representation includes ensuring consumers have access to comprehensive financial guidance. By facilitating this analysis, practitioners demonstrate their commitment to helping consumers make financially sound decisions that protect their long-term interests.

Thorough Market Analysis & Strategy

To plan and achieve outstanding results

Secondary EVP Buyer Agent Feature	Benefits
<p>Thorough Market Analysis & Strategy</p> <p>DIFFERENTIATOR – To help buyer understand current market and provide guidance on strategy and options</p>	<p>Complete understanding of the local housing market with a strategic plan for success</p> <ul style="list-style-type: none"> • Buyer needs identification • Market areas identification • Macro and micro marketing analysis • Micro property analysis • Select property reviews and analysis • Market strategy options

This approach represents a fundamental professional responsibility to ensure consumers make decisions based on accurate market information. This comprehensive analysis helps protect consumers by providing them with the context needed to evaluate properties and make strategic decisions in their specific market environment.

The DIFFERENTIATOR—helping the buyer understand the current market and providing guidance on strategy and options—should be framed as an essential consumer protection function. This isn’t simply about sharing market statistics; it’s about interpreting market conditions and helping consumers develop strategies that protect their interests within the specific market context they’re facing.

The Benefits—each element represents a specific professional responsibility. These components work together to create a comprehensive analytical framework that protects consumers by ensuring their decisions are informed by thorough market understanding.

The benefit statement ‘Complete understanding of the local housing market with a strategic plan for success’ should be connected to professional standards for consumer education and guidance. Professional representation includes providing consumers with both market information and strategic guidance based on that information. This analytical approach protects consumers by enabling them to make informed decisions within their specific market context.

This Thorough Market Analysis & Strategy exemplifies how professional representation includes providing consumers with comprehensive market context and strategic guidance. By conducting and explaining this analysis, practitioners demonstrate their commitment to helping consumers make well-informed decisions that account for specific market conditions and protect their interests within that market environment.

Legal Documents Review

To ensure your understanding, confidence, and protection

Secondary EVP Buyer Agent Feature	Benefits
<p>Legal Documents Review</p> <p>DIFFERENTIATOR – To provide buyer with appropriate legal guidance and legal resources as required</p>	<p>Understanding, comfort, and protection</p> <ul style="list-style-type: none"> • Buyer Representation Agreement • Purchase Contract Understanding • Appropriate legal reviews • Financial document reviews with lender • Title documents reviews with title company • Home inspector document review • Home warranty review

This approach represents a critical professional responsibility to ensure consumers understand the legal implications of the documents they're signing. This comprehensive review helps protect consumers by providing them with the guidance needed to understand their rights, obligations, and protections under various legal documents. (NOTE: Remind clients that they also may seek attorney advice for in-depth questions and concerns as it's beyond an agent's scope of expertise.)

The DIFFERENTIATOR—providing the buyer with appropriate legal guidance and legal resources as required—should be framed as an essential consumer protection function. This isn't simply about facilitating document signing; it's about ensuring consumers understand the legal implications of each document and have access to appropriate legal resources when needed.

The Benefits—each element represents a specific professional responsibility. These components work together to create a comprehensive review framework that protects consumers by ensuring they understand the legal aspects of each document involved in the transaction.

The benefit statement 'Understanding, comfort, and protection' should be connected to professional standards for consumer education and guidance. Professional representation includes ensuring consumers understand the legal documents they're signing. This educational approach protects consumers by enabling them to make informed decisions about legal commitments and understand their rights and obligations under various agreements.

This Legal Documents Review exemplifies how professional representation includes ensuring consumers understand the legal aspects of their transaction. By facilitating this review and providing appropriate resources, practitioners demonstrate their commitment to helping consumers navigate the legal complexities of real estate transactions while protecting their interests through informed decision-making.

Collaborative Network of Experts

For success during and after your purchase

Secondary EVP Buyer Agent Feature	Benefits
<p>Collaborative Network of Experts</p> <p>DIFFERENTIATOR – To instill confidence in buyer that agent has all necessary resources and support to help buyer get best outcome</p>	<p>Core team that focuses on your success</p> <ul style="list-style-type: none"> • Broker • Agent Team • Key Third Party Members (Mortgage, Home Inspector(s), Attorney)

This approach represents a critical professional responsibility to ensure consumers have access to specialized expertise throughout the transaction process. This collaborative network helps protect consumers by providing them with qualified professional guidance for every aspect of their real estate transaction.

The DIFFERENTIATOR—instilling confidence in the buyer that the agent has all necessary resources and support to help the buyer get the best outcome—should be framed as an essential consumer protection function. This isn't simply about having contacts; it's about ensuring consumers have access to a coordinated team of qualified professionals who can provide specialized guidance for various aspects of the transaction process.

The Benefits—each element represents access to specific professional expertise. These components work together to create a comprehensive support network that protects consumers by ensuring they have access to qualified guidance for every aspect of the transaction.

The benefit statement 'Core team that focuses on your success' should be connected to professional standards for consumer protection. Professional representation includes facilitating access to appropriate specialized expertise in a coordinated manner. This collaborative approach protects consumers by ensuring they receive qualified guidance for all aspects of the transaction, including those requiring specialized knowledge beyond the agent's expertise.

This Collaborative Network of Experts exemplifies how professional representation includes ensuring consumers have access to comprehensive professional support. By facilitating connections with qualified professionals, practitioners demonstrate their commitment to ensuring consumers receive appropriate specialized guidance throughout the transaction process.

Transaction Management Methodology

To ensure on-time closing

Secondary EVP Buyer Agent Feature	Benefits
<p>Transaction Management Methodology</p> <p>DIFFERENTIATOR – To educate buyer and instill confidence in getting to a successful closing</p>	<p>Ensuring closing milestones are met for on-time closing</p> <ul style="list-style-type: none"> • Project management approach • Purchase contract milestones and deadlines tracking and execution for both Buyer and Seller • Anticipation of potential issues • Proactive approach to prevent problems

This structured approach represents professional standards that directly protect consumers throughout the buying process. The DIFFERENTIATOR—educating buyers and instilling confidence in getting to a successful closing—should be framed as an essential consumer protection function that reduces risk and increases transparency.

The benefit of ‘ensuring closing milestones are met for on-time closing’ is a professional commitment to systematic oversight that protects the consumer’s interests throughout the transaction timeline.

The Benefits—each element represents a professional standard designed to protect consumers by ensuring all contractual obligations are met efficiently and effectively.

This transaction management methodology demonstrates your commitment to maintaining high professional standards while guiding consumers through complex real estate transactions with clarity and ethical oversight. By implementing systematic processes and proactive management, you provide consumers with the protection of professional expertise throughout each phase of the closing process.

Buyer Preferred Technology Options

To meet the needs of every client

Secondary EVP Buyer Agent Feature	Benefits
<p>Buyer Preferred Technology Options</p> <p>DIFFERENTIATOR – To provide desirable technology choices for buyer</p>	<p>Technology Choices for YOU</p> <ul style="list-style-type: none"> • Portal for Homes for Sale • Digital initial home showings <ul style="list-style-type: none"> - Virtual showings - Virtual Tours - 3D Home View • Digital Forms Execution

This approach represents a professional commitment to providing consumers with appropriate tools that enhance transparency and efficiency throughout the transaction process. The DIFFERENTIATOR—providing desirable technology choices for buyers—should be presented as a means of empowering consumers with options that best serve their individual needs and preferences.

The benefit of ‘Technology Choices for YOU’ should be connected to professional standards for consumer protection and service. Offering options like property portals, digital home showings (virtual tours, 3D views), and digital forms execution represents a commitment to meeting diverse consumer needs while maintaining professional standards for clear communication and documentation.

These technology options demonstrate your dedication to providing consumers with modern tools that enhance their understanding of properties and streamline the transaction process. By offering flexible technology solutions, you respect consumer preferences while ensuring they receive the information and documentation necessary to make informed decisions throughout their real estate transaction.

Buyer Presentation Format

- List Top-Level Feature and Benefit
- Use Lower-Level Detail
 - State Feature only
 - Explain how lower-level detail helps achieve overall benefit

Here are two examples of how to list the aspects of the features in a Buyer Presentation so you can discuss them with the Buyer:

» **Unique Buyer Marketing to Listing Agents and Sellers** for ideal Buyer positioning vs. competition:

- Buyer Introduction
- Buyer offer and counteroffers cover letters
- Buyer Agent Introduction
- Buyer offer and counteroffers presentations

» **ACCE Negotiation Methodology** for a structured and disciplined approach to negotiating your results:

- ACCE Planning Guide
- BATNA Analysis
- Creating and Claiming Value
- Special Value Options in Seller Market
- Special Value Options in Buyer Market
- Use of Proven Persuasion Principles
- Managing Contract Contingencies

In your Effective Value Proposition summary for your Buyers, you must clearly communicate the benefits of your services for your Buyer. Being able to do so in a way that separates you from your competition is also key to getting hired and negotiating your compensation.

In our summary “Agent Version: Features & Benefits Summary” at the end of the workbook, we show how to differentiate your service features to communicate superiority and expert competence. Ultimately it is up to you to choose your service features and your client benefits in a way that positions you favorably.

KEY TAKEAWAY

Your Features & Benefits Summary showcases your capabilities and benefits. Start with a high-level view and be prepared to drill down deeper as required by the client.

EXERCISE

Review the “Agent Version: Features & Benefits Summary” (at end of the workbook) and think about how you can truly differentiate yourself from other agents for an unbeatable competitive advantage.

Scenario:

The Tech-Savvy Remote Workers

Alex and Jordan Chen are both software developers who have been working remotely since the pandemic. They currently rent a small apartment but are looking to buy their first home. They need a property that can accommodate two dedicated home offices with high-speed internet capabilities. Being tech-savvy, they've done extensive online research about the home buying process and are somewhat skeptical about the value a buyer's agent can provide in today's digital age.

What are the specific considerations?

Specific Considerations:

- Budget of \$650,000
- Need for two separate home office spaces
- High-speed internet availability is crucial
- Want a modern, energy-efficient home
- Concerned about cybersecurity for home technology systems
- Looking for a tech-forward agent who understands smart home features
- Want data-driven market analysis and decision-making
- Prefer digital communication and documentation
- Question the traditional real estate commission structure
- Want transparency in all processes

Let's Discuss!

Discussion Questions

1. How would you present your features and benefits to address their specific needs?

2. How would you demonstrate your expertise using the Features and Benefits presentation format?

3. How would you address their specific interest areas?

4. What proof elements would be most compelling for this audience?

PROOF POSITIVE

Your Features and Benefits Summary makes claims about your capabilities and benefits. It is highly desirable to show proof of your claims whenever possible.

KEY TAKEAWAY

Your proof or track record of success can significantly increase your client's confidence and trust in you.

This will be a persuasive part of your compensation negotiations.

Providing evidence of your expertise and competency goes a long way towards building trust with your client. You are not “bragging” – you are applying for a job! Your past experiences and accomplishments are important factors in your client’s decisions. Plus, ***your proof goes a long way in justifying your proposed compensation.***

Your “Proof” is a combination of past results, awards, testimonials, stories, achievements, and client ratings.

For example:

- Past client testimonials (the best proof!)
- Relevant success stories for specific capabilities and/or benefits
- Broker/Agent industry awards (sales leader, closings, leadership awards, etc.)
- Track record of success (e.g., summary of past buyer purchase prices as % of list price vs. industry average, winning multiple offer situations)
- Client ratings summary (public if possible like Google)
- Broker testimonial (Brokers are typically viewed as credible)
- Other agent testimonials (complimenting your professionalism)
- Third party testimonials (verifying your thoroughness and expertise)
- Education and training (e.g., designations and certifications)
- Pre-real estate success and awards that relate to your agent responsibilities (e.g., prior sales experience with awards)



TIPS FOR NEWER AGENTS

If you are new to real estate and you are part of a team, you should use the “proof” associated with the team as well as the broker/ brokerage. Large national/global brokerages should have many “proof” claims. Smaller brokerages often mention flexibility and personalization in meeting client needs. If you were previously in another career where you excelled, you can reference that experience. You can also cite your recent real estate training showing you are up to date on real estate laws and regulations. And you can always state overall brokerage results for a given neighborhood (if your brokerage has those results). Lastly and truer for Buyer Agents vs. Listing Agents, you can only agree to work with so many Buyers at a time due to your commitment and thoroughness in your approaches and service.



Another way to build uniqueness and value is through specific professional development training. For example, less than 3% of all agents have taken professional negotiation training. Especially if you are new, you can tout any specialized education you have to differentiate yourself from more experienced agents. Be prepared to present how your unique skill set offers results that are unmatched by other agents.

Sometimes a client may ask why you are a solo agent and how you can offer the same level of service that “teams” offer. One possible response to this question is: “I have thought about having or being on a team, but I have consciously chosen not to do that for the time being for one reason: I want to personally provide the level of service I believe in. I know I can do that!”

PUTTING IT ALL TOGETHER

Your Value Summary Statement, Features and Benefits Summary, and Proof can all be effectively communicated in a professionally created flyer, brochure, or webpage as your Effective Value Proposition.

See example on the following page.

KEY TAKEAWAY

When your top-level Effective Value Proposition content is complete, hire a talented graphic designer to put together professional marketing materials.

Additional Notes: _____

Value Proposition Flyer Example



We use our knowledge, experience, and skills to give you an exceptional "House" outcome!



OUR CLIENT BENEFITS:

- Trusted Advisor approach to provide **superior advice**
- Thorough market analysis to identify your competition and your **advantages**
- **Superior marketing** to attract buyers, influence first impressions and get offers
- Advanced negotiation planning and skills to ensure **the best outcome**
- Legal documents review to ensure your understanding, comfort, and **protection**
- Team and transaction coordinator to manage milestones for **on time closing**
- Network of providers who can **respond quickly to your needs**
- Detailed home analysis to **set your home apart**



Schedule a "House Call" now to get the best possible outcome!

Hillary (Houston) House
OWNER, REALTOR

The Houston House Team has ranked in the top 1% of all agents in the Houston Area for the last 15 years!



"Hillary gave us the best home selling experience possible! He is professional, knowledgeable, and the best agent you can find!"

- Sam and Sally Herbster

"Without a doubt, the best home selling experience in 12 home sales over 18 years. Hillary is amazing!"

- Maggie Lynch

"What an incredible experience! My wife and I were thrilled with Hillary's service, expertise, and genuine caring. We will use him and his team again in the future."

- Jeffrey Parent



713.123.4321
H.House@HHHouse.com

A graphic designer can make a professional looking flyer for you.

This structured approach represents a professional standard for transparent consumer communication. This organized presentation demonstrates a commitment to providing consumers with complete, accessible information about your professional services and qualifications.

The placement of elements follows a logical flow that enhances consumer understanding: beginning with a concise Value Summary Statement that establishes your professional approach, followed by detailed Features and Benefits that explain specific services and their consumer advantages, and supported by Proof/Evidence that verifies your capabilities through objective information. Contact information is strategically positioned for easy consumer access.

This standardized format ensures consumers receive consistent, comprehensive information about your professional services in an organized manner that facilitates informed decision-making. The professional presentation reflects your commitment to quality and attention to detail in all aspects of your practice.

While the visual design enhances appeal, emphasize that the content must prioritize accuracy, transparency, and consumer-focused information rather than exaggerated marketing claims. This approach demonstrates respect for consumer intelligence and regulatory standards by providing substantive, verifiable information about your professional services and qualifications.



CHAPTER

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CHAPTER 4

NEGOTIATING THE BUYER REPRESENTATION AGREEMENT

On the listing side, the Seller is virtually always required to sign an exclusive listing agreement. Historically, this has not been the case for buyer's agents. That has changed! Due to industry changes, even those states that didn't require buyer representation agreements before will now do so.

OBTAINING A WRITTEN, SIGNED AGREEMENT

Even if you'll be required to have a signed buyer representation agreement in place to show a property to a buyer, it is better to provide reasons on why it is in the Buyer's self-interest to sign the representation agreement.

NAR MLS rules now require MLS participants working with a buyer to enter into a written agreement with the buyer prior to touring a home. This rule applies whether it is an agency or non-agency relationship.

When telling a buyer they are required to sign a written agreement to have an agent represent them, it is best to provide a reason or rationale as to why this benefits the buyer. Many/most buyers will also require an explanation or understanding of the document prior to signing, so your starting point is a *thorough* understanding of your local buyer representation agreement.

Written buyer agreements must include:

- Specific buyer agent compensation
 - %, \$, flat fee, hourly rate
 - NOT "or whatever amount the seller is offering"
- Statement that any compensation from others (e.g., seller) may not exceed specified amount
- Statement that broker commissions are always negotiable

Be familiar with all contract requirements and make sure the agreements you are using have been approved for use in your market.

When discussing these representation agreement requirements with consumers, emphasize that these specific elements represent professional standards designed to ensure complete transparency about compensation arrangements. This approach demonstrates your commitment to ethical practice by providing consumers with clear, detailed information about how your services will be compensated.

The requirement for specific compensation terms (whether percentage, dollar amount, flat fee, or hourly rate) ensures consumers understand exactly what they are agreeing to pay for professional services. The prohibition against vague language like 'whatever amount the seller is offering' protects consumers by preventing uncertainty about compensation obligations. The statement regarding compensation from other parties establishes clear boundaries that prevent conflicts of interest, while the explicit acknowledgment that commissions are negotiable empowers consumers in the professional relationship.

These requirements reflect fundamental changes in industry practices designed to enhance consumer protection through greater transparency and specificity in compensation arrangements. By using approved agreements that contain all required elements, practitioners demonstrate their commitment to compliance with professional standards and regulatory requirements.

This transparent approach to compensation discussions reflects your dedication to ethical representation and consumer education. By providing clear, specific information about compensation arrangements, you enable consumers to make informed decisions about representation based on complete understanding of all financial aspects of the professional relationship.

Here are a few reasons and rationale you can provide to help buyers understand the benefits of signing the agreement.

- This is an official form that ensures each party understands and agrees to the duties and responsibilities of our working relationship.
- This document protects you and provides full transparency and clear expectations for all parties. I want to ensure all your concerns and questions are addressed.
- [For NAR members] I am a REALTOR® and am bound by the NAR Code of Ethics. I agree with this Code of Ethics and want to follow it as best I can. In Article 9 of the Code of Ethics, it states that for the protection of all parties, I must assure whenever possible that all agreements related to real estate transactions are in writing in clear and understandable language and that this writing expresses the specific terms, conditions, obligations, and commitments of the parties. I'm also required to provide a copy of this agreement to you after obtaining your signature. This is why, when you work with me as your agent, I will require you to sign our buyer rep agreement, so you know I am following our Code of Ethics.

NOTE

If you resign or are not a member of NAR the NAR Code of Ethics does not apply.

NAR COE Article 9

“REALTORS®, for the protection of all parties, shall assure whenever possible that all agreements related to real estate transactions, including ... listing and representation agreements ... are in writing ...”

Here are some analogies that may help buyers understand the general purpose of the buyer representation agreement.

- All Sellers sign a listing agreement. The Buyer representation agreement is the mirror image of the listing agreement.
- Think of the Buyer representation agreement as an employment agreement. It is good for both parties to have a formal and written understanding of the relationship and obligations.
- This agreement is similar to a financial planner’s agreement, a wedding planner’s agreement, or even a professional fitness trainer’s agreement. Understanding how we can work together to get you the best outcome is the best way to start!

If a buyer resists signing an agreement or prefers not to commit to an agent, you must still ultimately get them to sign before working with them.

Your first focus area is always clarifying the issue or concern the buyer has. Ask open-ended questions to gather information. For example:

What are your concerns about signing the agreement?

Help me understand why you don't want to commit to an agent (or sign the agreement).

Always ask follow-up questions to dig deeper or clarify the major issues or concerns. Don't assume you fully understand after a short statement from your buyer. Plus, this shows you are listening and interested in what the buyer says.

Once you have the buyer's explanation, repeat back, or confirm your understanding. Many times we think we understand but really don't. Addressing the wrong issue won't help the buyer feel comfortable with you.

Most people don't want to feel their concern or issue is unreasonable. Acknowledging or validating their concern or issue is a good way to help put the buyer more at ease. Something like "I can understand why you might feel that way." Or "I've had other clients who initially felt that way as well. Here's what I can tell you about that."

Once you have clarified the issue or concern, offer potential solutions that deal with the issue or concern.

Here are some potential issues or concerns buyers might have in today's market:

The last time I bought a home my buyer's agent was free. Isn't that true now?

I don't know if I should work with a buyer's agent or just work directly with the seller's agent.

I'm not sure I can pay you your fee and have enough money for my down payment and closing costs.

If I agree to pay your fee, can I get a rebate at closing?

Do I really need an agent? Can't I just represent myself?

Here are some factors for you to use to address the above concerns:

I understand the temptation to save money and represent yourself. The issue for you is are you prepared? Do you have time and access to market data for your market research to ensure you don't overpay for your home? Can you understand the XX page purchase contract plus attachments from a legal perspective? Can you manage the multiple deadlines required to close? Do you know reliable third-party contractors to help with your inspections, repairs, mortgage loan, closing, etc.? Do you have time to track down the listing agent who is focused on representing the seller? Real estate is more like a team sport vs. an individual sport.

What I bring to the table for you to get the very best results is experience, market analysis skills, exceptional negotiation skills, a network of other professionals, and project management skills.

Identify the typical issues, concerns, and questions buyers will have before meeting with buyers. Decide on your personal approach to responding professionally to these areas and practice your scripts. Don't try to wing it!

KEY TAKEAWAY

When negotiating *with* your buyer, focus on their self-interests, exchanges, and sound logic to persuade them to sign a representation agreement.

EXERCISE

See if you can identify other ways to make a buyer feel comfortable to sign a representation agreement using these three principles:*

Self-Interest: _____

Exchanges: _____

Sound Logic: _____

**Your maximum value is possible only to clients who have committed to you by signing a representation agreement.*

LENGTH OF AGREEMENT

The length of a Buyer representation agreement is normally a function of:

- The buyer's personal situation (e.g., schools, work/commute, medical, etc.)
- The market conditions (current market favoring Buyer and trends/projections)
- The agent's availability (number of clients, medical/vacation plans, personal family situation, etc.)

The client's situation and needs/wants typically dictate the length of the agreement. As a buyer's agent, you should choose a time period that meets the client's projected needs/wants with options to extend the agreement if necessary.

When discussing agreement length with consumers, emphasize that these considerations represent professional factors designed to ensure the agreement term appropriately balances consumer needs with practical realities. This approach demonstrates your commitment to customizing representation arrangements to best serve individual consumer circumstances while maintaining professional standards.

The buyer's personal situation should be a primary consideration when determining agreement length. By discussing specific timelines related to the consumer's unique circumstances (such as school enrollment deadlines, medical needs, or family obligations), practitioners demonstrate their commitment to aligning representation terms with consumer priorities and time constraints.

Market conditions significantly impact the realistic timeframe for achieving consumer objectives. When explaining how current inventory levels, competition, and seasonal factors affect property availability, practitioners provide consumers with important context for setting appropriate expectations about the search process. This transparent discussion helps consumers understand why certain agreement lengths might better serve their interests in specific market conditions.

The practitioner's availability represents an ethical consideration in agreement terms. By proactively discussing any known scheduling limitations or potential conflicts, practitioners demonstrate professional integrity and ensure consumers have accurate information about service availability. This transparency helps establish realistic expectations and prevents potential disappointments or misunderstandings during the representation period.

When discussing typical agreement lengths in class, emphasize the importance of individual determination based on specific circumstances rather than standardized terms. The reminder about antitrust concerns highlights the professional responsibility to maintain independent business practices while customizing agreements to best serve individual consumer needs.

This consumer-focused approach to determining agreement length reflects your dedication to ethical representation and transparent communication. By considering multiple factors and explaining their relevance to consumers, practitioners demonstrate their commitment to creating representation arrangements that genuinely serve consumer interests while maintaining professional standards.

Scenario:

The Career-Advancing Single Mom

Dr. Maria Rodriguez, a successful pediatrician and single mother of three children (ages 8, 11, and 14), has recently been offered a partnership in her medical practice. With her increased income and need for more space, she's looking to upsize from her current 1,800 sq ft townhouse to a single-family home. She's tech-savvy, research-oriented, and time-constrained due to her demanding career and family responsibilities. While she's financially capable, she's cautious about making such a significant investment on her own and wants to ensure she makes the best decision for her family's future.

What are the specific considerations?

Specific Considerations:

- Budget of \$850,000
- Needs minimum 3,000 sq ft with 4+ bedrooms
- Must be in top school districts
- Requires a home office for telemedicine consultations
- Wants a dedicated homework/study space for the children
- Desires a low-maintenance yard
- Has limited time for home viewings
- Concerned about making such a significant decision alone
- Wants data-driven market analysis and decision-making
- Needs flexibility in scheduling viewings around her hospital schedule

Let's Discuss!

Discussion Questions

1. How would you present your proof of expertise and success to build trust?

2. How would you structure your complete value proposition presentation?

3. How would you address the buyer representation agreement discussion?

4. What would be beneficial to the client's concerns if using the three key persuasion principles (self-interest, exchanges, sound logic)?

COMPENSATION DISCUSSIONS

NAR's current Code of Ethics has several Article and Standards of Practice dealing with broker/agent/client compensation. (The following Articles only apply if you are a member of NAR.)

Here is a brief summary of the more relevant parts:

Article 1

- "...protect and promote the interests of their client..."
- **SOP 1-5:** dual agency only with full disclosure and consent of both parties
- **SOP 1-12: Sellers must be advised of:**
 - Policies regarding cooperation and amounts of compensation for Buyer Brokers
 - Buyer Broker/agent may represent interest of Buyers
 - Potential for Listing Broker to act as disclosed dual agent
- **SOP 1-13: Buyers must be advised of:**
 - Company policy regarding cooperation
 - Amount of compensation to be paid by client
 - Offsetting compensation from other brokers/parties
 - Disclosed dual agency
 - Seller may not hold details of offers as confidential unless required by law, regulation, or confidentiality agreement between the parties

Article 3

- "REALTORS® shall cooperate with other brokers except when not in client's best interest."
- Obligation to cooperate does not include obligation to share commissions or fees
- **SOP 3-1:** Cooperating broker may not assume offer of cooperation includes offer of compensation
- **SOP 3-2:** any change in cooperative compensation by Listing Broker must be communicated prior to offer being submitted by Buyer (no unilateral change by Listing Broker after offer submitted)
- **SOP 3-3:** listing and Buyer Broker can agree to change cooperative compensation
- **SOP 3-4:** must disclose existence of dual or variable rate commission arrangements

Article 12

- **SOP 12-1:** REALTORS® must not represent services to client as free or available at no cost.

Article 16

- REALTORS® shall not engage in any practice inconsistent with exclusive representation or exclusive representation agreements other REALTORS® have with clients.
- **SOP 16-1:** aggressive or innovative business practices that are ethical and do not prohibit disagreements with other REALTORS® involving commissions, fees, or compensation are not prohibited
- **SOP 16-6:** If contacted by client of another REALTOR® for a potential future agreement, potential terms may be discussed for that future agreement
- **SOP 16-15:** cooperative brokers must be compensated vs. sales licensees

KEY TAKEAWAY

The NAR Code of Ethics allows for brokers to negotiate cooperative compensation. Make sure you understand, and abide by, the rules in doing so.

Professional Standards for Consumer Protection

- NAR COE compensation sections
- Known outcome of lawsuits
- Cooperative compensation considerations
- Focus on transparent disclosure to consumers
- Documentation of compensation discussions with clients

When discussing compensation with consumers, emphasize that these topics represent essential professional standards and regulatory developments that affect how real estate services are compensated. This approach demonstrates your commitment to transparency by providing consumers with accurate, current information about compensation structures and industry changes.

The NAR Code of Ethics establishes professional standards for compensation discussions that prioritize consumer protection through transparent disclosure and ethical practices. These standards ensure consumers receive clear information about compensation arrangements and understand how these arrangements affect their representation. By explaining these ethical guidelines, practitioners demonstrate their commitment to professional integrity in all compensation discussions.

The industry changes resulting from legal settlements have significantly altered compensation practices in real estate transactions. When discussing these developments, practitioners should provide factual, balanced information about how these changes affect consumer options and obligations regarding professional compensation. This education helps consumers understand the evolving landscape of real estate compensation and make informed decisions about representation arrangements.

The various compensation options available under current industry standards should be presented with complete transparency regarding consumer obligations and practitioner expectations. By explaining different compensation structures (including retainer fees, hourly rates, percentage-based fees, and potential cooperative compensation), practitioners enable consumers to evaluate options based on their specific circumstances and preferences.

This transparent approach to compensation discussions reflects your dedication to ethical representation and consumer education. By providing clear, accurate information about compensation arrangements and industry developments, you help consumers make informed decisions about representation based on complete understanding of all financial aspects of the professional relationship.

NAR COE Compensation Sections

- Article 1: Protects consumers through honest representation
- Article 3: Ensures consumers understand cooperation arrangements
- Article 12: Provides consumers with truthful information
- Article 16: Respects established consumer relationships

Article 1 establishes the fundamental obligation to protect and promote client interests while treating all parties honestly. SOP 1-13 specifically requires practitioners to disclose critical information when entering buyer representation agreements, including company policies regarding cooperation, amount of compensation to be paid by the client, potential for offsetting compensation, dual agency possibilities, and confidentiality protections. These disclosure requirements ensure consumers receive complete information about financial arrangements before formalizing representation.

Article 3 addresses cooperation between brokers, including Standards of Practice that provide specific guidance on compensation discussions. SOP 3-2 and 3-3 establish professional protocols for communicating about cooperative compensation, emphasizing transparency and ethical negotiation practices. These standards ensure consumers benefit from professional cooperation while maintaining clear understanding of compensation arrangements.

Article 12 focuses on truthful communication in real estate advertising and representations. This article requires practitioners to present a “true picture” in their communications and advertising, which extends to discussions about compensation. When explaining fee structures or compensation arrangements to consumers, practitioners must ensure all information is accurate, honest, and not misleading in any way.

Article 16 protects established agency relationships, with SOP 16-16 providing specific guidance on discussing compensation with represented parties. This standard ensures that compensation discussions respect existing professional relationships while maintaining ethical boundaries in communications with consumers who have established representation.

These ethical standards collectively establish a framework for transparent, consumer-focused compensation discussions that prioritize clear communication and consumer protection. By adhering to these professional guidelines, practitioners demonstrate their commitment to ethical representation and consumer education in all aspects of compensation arrangements.

CURRENT ISSUES IN REAL ESTATE

Here is more on the issues involved in the anti-trust lawsuits.

- **Participation Rule:** Up until the lawsuits, the rules for a NAR-affiliated MLS required the Listing Broker to include an *unconditional offer of cooperative compensation to the Buyer Broker* in order to place a listing in the MLS. The cooperative compensation was included in the listing fee paid by the seller to the listing broker. The listing broker then paid the Buyer Broker through commission sharing. And while the seller actually paid the cooperative compensation for the buyer Broker, the seller seldom had any input on the amount of the cooperative compensation.
Effective August 17, 2024, NAR eliminates the Participation Rule and bans any mention of cooperative compensation in the MLS listing. (See the NAR Settlement Timeline.)
- **Buyer Role in Compensating their Buyer Broker:** The Buyer normally did not participate in determining the amount of cooperative compensation for the Buyer Broker from the Listing Broker. This was problematic since the Buyer is the one who hires the Buyer Broker (or agent).
- **Buyer Agent Value:** The ultimate value of a Buyer Agent was also questioned in these lawsuits given that many Buyer Agents would tell Buyers their services were “free” for the Buyer. In reality NAR changed SOP 12-1 in January 2022 to prohibit agents telling clients their services were free unless no financial compensation applied. Offering “free services” led to many buyers questioning the true value of a buyer’s agent. With the proposed NAR changes and likely further changes involving cooperative compensation for buyer agents, many experts are predicting that “*negotiation will be the most essential skill for buyer agents.*”
- **Transparency:** The former system lacked transparency to all parties.

Recent MLS Changes Summary

Even before the settlements, several MLS organizations (Northwest MLS, PIN MLS, Bright MLS, and MRED) initiated changes to help resolve the above potential issues. Changes now impacting the industry include:

- **Participation Rule Removed:** The MLS requirement for the Listing Broker or Seller to include cooperative compensation for the Buyer Broker has been removed.
- **Seller Involvement in Cooperative Compensation to Buyer Broker:** Sellers are now involved in decisions on cooperative compensation offered to the Buyer Broker. The Seller and/or Listing Broker can choose to offer no cooperative compensation to the Buyer Broker.
- **Cooperative Compensation Negotiations Allowed:** The Buyer and Buyer Broker can negotiate the cooperative compensation directly with the Seller and Listing Broker as part of the purchase agreement negotiations.

- **Full Transparency:** All parties are now involved in the cooperative compensation negotiations.

Note

The current NAR COE allows the Listing Broker and Buyer Broker to negotiate the cooperative compensation outside of the purchase contract negotiations. (SOP 3-3). But the current COE forbids the Brokers from attempting to negotiate changes in the cooperative compensation in offer terms in the purchase contract negotiations (SOP 16-16). If you are no longer a member of NAR this restriction may not apply.

- **Buyer Agent Value:** Buyer Agents can no longer tell Buyers their services are free. Buyer Agents will now have to negotiate compensation directly with the Buyer based on the value offered. The terms can include an offset of any cooperative compensation from the Seller and/or Listing Broker. Any shortfall may be paid by the Buyer if required by the compensation terms. *It is now legally required in most cases to have the Buyer sign a representation agreement that clearly states the Buyer Broker compensation terms.*
- **Professional responsibility includes explaining these changes to consumers:** Practitioners should be prepared to explain specifically how their professional expertise, market knowledge, and negotiation skills directly benefit consumers throughout the transaction process. This value communication helps consumers make informed decisions about representation based on a clear understanding of the services and protections they receive.
- **Documentation of consumer understanding is essential:** By providing comprehensive education about these developments, practitioners help consumers navigate the evolving real estate landscape with complete information about their rights, options, and obligations regarding professional representation and compensation.

These changes (and others in the future) will lead to a more open system requiring very strong representation skills to reach acceptable outcomes for all parties.

COOPERATIVE COMPENSATION CONSIDERATIONS

BUSINESS AS USUAL

Before dealing with the impact of these changes on buyer agent compensation, let's briefly review the "old" system. Business will continue this way until these changes are broadly implemented across the entire system.

In most states, the Buyer representation agreement contains compensation language and options. Here is a typical clause:

- "The amount of the Buyer Broker compensation shall be: _____, or the compensation Buyer Broker receives from Seller or Seller's broker, whichever is greater. If the cooperative compensation offered by the Seller or Seller's broker is less than the Buyer Broker compensation in this agreement, Buyer agrees to pay Buyer Broker the difference."

This allows the Buyer Broker to fill in the blank for the amount of compensation. If the Seller or Seller's broker offers higher compensation to the Buyer Broker, the Buyer Broker receives that higher compensation. If the Listing Broker or Seller offers less than the amount indicated in the representation agreement, the Buyer Broker receives the amount from the Seller or Listing Broker and the Buyer is responsible for paying the difference to the Buyer Broker.

In some cases the Buyer Broker can agree to accept what is offered by the Seller or Listing Broker without requiring the Buyer to make up any shortfall.

If you are in this situation, always ensure as the Buyer Broker you can receive whatever the Seller or Listing Broker is offering.

For example, in some states if the Buyer Broker fills in the blank with “X% of the purchase price of the home” and the Seller or Listing Broker is offering more than X%, the Buyer Broker might be limited to just X%.

To avoid this situation, you can put “minimum of X% of the purchase price of the home” to be able to receive more than just “X%”. (This could be important in a Buyer’s market when the Seller or Listing Broker is offering a bonus on top of the co-broke.)

- Some Buyer Broker agreements also include boilerplate or standard language regarding Retainer Fees. A retainer fee is normally viewed as an advance payment made by the client to a professional and is considered a down payment on the future services of that professional. Typically, the retainer fee funds the initial expenses of the working relationship. This is true for most attorneys, financial planners, and other professionals.

For example, “Buyer agrees to pay Broker a non-refundable fee in the amount of \$____, which is earned when paid, for initial consultation and research. This fee (check one) ___ shall or ___ shall not be credited against any other compensation owed by Buyer to Broker as pursuant below.”

This retainer fee is justified based on the “initial consultation and research”. In essence, it is a fee for the initial meeting (which requires work by the Buyer Agent), and potential research done after hiring (e.g. market analysis, neighborhood analysis, specific home research, etc.). If the fee is credited against any other compensation owed by Buyer, it is an advance payment on the owed compensation. If the fee is not credited against any other compensation owed, it is an additional fee on top of the other compensation.*

NEGOTIATING CHANGES TO COOPERATIVE COMPENSATION IN THE CURRENT SYSTEM

Per the NAR Code of Ethics, Standard of Practice 3-3, the Listing Broker and Buyer Broker can negotiate the co-broke or cooperative compensation before or after an offer has been submitted to the Seller by the Buyer. Standard of Practice 16-16 makes it unethical for brokers to include cooperative compensation terms in the Purchase Contract. The Purchase Contract is between the Buyer and Seller and the brokers are not a party to that contract.

If the Buyer Broker wants to negotiate the co-broke higher with the Listing Broker, here are some approaches to consider:

- Recognize that all compensation is negotiable. Understand that “fairness” is also subjective.
- It is painful to be penalized as the Buyer Agent when the Listing Agent has accepted a lower listing commission. Recognize that most agents have never received professional negotiation training and may simply not be effective at negotiating with competitive Sellers.
- Ask for an explanation or reason why the cooperative compensation is low in your opinion. There may or may not be a valid reason.
- Educate using logic and reasoning. Use local market data as your basis for appealing to the Listing Agent. If you determine the average co-broke in your market is twice what you are being offered, appeal to a sense of being compensated at a “fair market rate”, especially when you can provide evidence of going “above and beyond” on your side.

- Sometimes the negotiations are intense and complex. A lot of effort by one or both agents can go into getting the clients to agree to mutually satisfactory terms. An attempt to negotiate a “fairer” co-broke can be attempted on this basis. While not always successful, it can lead to a better outcome for the Buyer’s side.
- Be prepared to communicate important aspects of your value proposition to the listing agent. Just as your client needs to know your value, the listing agent’s decision to support your compensation request may be strongly influenced by your professionalism and the value you bring to the transaction process.
- At the end of the day, your best approach is to negotiate effectively with your Buyer upfront. Ensure you have a commitment from your Buyer to pay you any difference between your required compensation and what you receive from the Seller or Seller’s broker. Your Effective Value Proposition will significantly influence your outcome in these negotiations with your client.

**If the crediting of the retainer fee is tied to the closing and there is no closing, then the Buyer Broker does not owe the Buyer a refund.*

THE NEW NORMAL

With the new changes coming to cooperative compensation and Buyer representation, it is important to look at this situation from a professional negotiation perspective. The negotiation landscape will change considerably for all parties.

In the new normal your negotiation skills will be more important than ever before!

When discussing these industry transitions with practitioners, emphasize that these developments represent significant shifts in professional practice that require systematic adaptation and enhanced consumer communication. This approach demonstrates your commitment to professional evolution by providing forward-looking guidance that helps practitioners navigate changing market conditions while maintaining high standards of consumer service.

The fluid nature of current industry changes requires practitioners to develop adaptable systems rather than rigid protocols. When addressing this dynamic environment, practitioners should establish flexible frameworks for compensation discussions that can evolve with regulatory developments and market practices. This adaptability ensures continued professional relevance and consumer protection despite ongoing industry transformation.

The consistent direction toward value-based discussions highlights the increasing importance of clearly articulating professional expertise and consumer benefits. When discussing this trend, practitioners should develop comprehensive, consumer-focused value propositions that specifically connect professional services to tangible consumer advantages. This value communication helps consumers understand the relationship between compensation and the protection, expertise, and advocacy they receive through professional representation.

The development of systematic approaches to consumer education about compensation represents a critical professional adaptation. When addressing this need, practitioners should create consistent, transparent methods for explaining compensation arrangements, documenting consumer preferences, and addressing compensation questions throughout the representation relationship. These systems ensure all consumers receive complete, accurate information about financial aspects of representation regardless of market conditions or regulatory changes.

The creation of documentation templates that protect consumer interests reflects both practical and ethical considerations in the evolving landscape. When discussing this documentation need, practitioners should develop standardized forms and processes that clearly record consumer preferences, instructions, and understanding

regarding compensation arrangements. These documentation practices provide protection for both consumers and practitioners by establishing clear records of all compensation discussions and decisions.

The establishment of professional protocols for compensation discussions with consumers represents a fundamental adaptation to new market realities. When addressing this protocol development, practitioners should create consistent approaches for introducing compensation topics, explaining options, addressing questions, and documenting decisions. These standardized practices ensure all consumers receive professional, transparent guidance regarding compensation regardless of practitioner experience or transaction circumstances.

The emphasis on negotiation skills highlights the increasing importance of effective advocacy in the new compensation landscape. When discussing this critical competency, practitioners should invest in developing and refining negotiation capabilities that effectively represent consumer interests while maintaining professional relationships with transaction colleagues. These enhanced skills ensure practitioners can successfully navigate compensation discussions while achieving optimal outcomes for their clients.

These forward-looking adaptations to industry changes reflect your dedication to professional evolution and consumer protection. By developing systematic approaches to compensation discussions in the new market environment, you demonstrate your commitment to maintaining high standards of representation while successfully navigating significant industry transformation.

Consider the following information from both sides of the table:

“ NAR Danger Report quote: “The real estate industry is saddled with a large number of part-time, untrained, unethical, and/or incompetent agents. This knowledge gap threatens the credibility of the industry. ”

Unfortunately this quote has remained relevant for many years in real estate:

- Compared to other industries real estate is relatively easy to get into.
- NAR data shows 85% of new agents have no business/business building or sales background prior to entering real estate. This clearly highlights the need for specific skill-based training.
- From 2008 (the start of the Great Recession) through 2021, housing sales in the U.S. increased from 4 million units per year to 6 million units per year (50% increase). These market conditions increasingly disguised the need for increased professional negotiation training and education for real estate agents.
- The above factors combined with the lack of “required” professional skill development training in real estate have created an unacceptable number of poorly trained agents.

Given the high likelihood of dealing with poorly trained agents, what are the potential dangers for the Seller and Listing Broker?

Dangers of Dealing With a Poorly Trained Buyer Agent:

- lack of knowledge about purchase contract
- possible unethical behavior
- not responsive / poor communicator
- inability to reason with client
- egocentric attitude
- lack of knowledge about market conditions
- bad advice to Buyer client

- focus on getting a check at closing
- does not require Buyer to sign formal representation agreement
- lack of availability due to part-time status

These issues represent significant risks to consumer protection and transaction integrity that require professional awareness and mitigation strategies. This approach demonstrates your commitment to maintaining high professional standards by identifying specific challenges that can undermine consumer interests and transaction success.

The dangers of poorly trained agents extend beyond mere inconvenience to potentially serious consumer harm. When addressing these risks, practitioners should recognize that inadequate training can lead to substantive consumer protection failures through inaccurate advice, improper documentation, missed deadlines, or failure to identify material property issues. These shortcomings directly impact consumer financial interests and can result in significant long-term consequences for buyers.

The specific dangers listed represent different dimensions of professional inadequacy that affect consumer outcomes:

- Lack of knowledge undermines the fundamental value proposition of professional expertise
- Unethical behavior violates consumer trust and potentially legal protections
- Poor communication creates information gaps that prevent informed decision-making
- Inability to reason with clients reflects failure to provide professional guidance
- Bad advice to buyer clients can lead to harmful financial or legal decisions
- Focus on compensation rather than service indicates misaligned priorities
- Lack of availability prevents timely response to critical transaction developments

The extension to considering risks from non-serious buyers broadens the professional perspective to include challenges from both sides of the transaction. This balanced view helps practitioners understand the reciprocal nature of transaction relationships and the importance of professional standards for all participants. By identifying specific buyer-related risks, practitioners develop more comprehensive transaction management strategies that protect all parties' interests.

This professional risk assessment reflects your dedication to consumer protection and transaction integrity. By identifying specific dangers from inadequate representation or non-serious participation, you help practitioners develop risk mitigation strategies that enhance consumer protection while improving transaction outcomes for all parties.

Equally important, what are the dangers for the Seller and Listing Agent in dealing with a risky Buyer (especially an unrepresented Buyer)?

Net, the dangers of having to work with poorly trained agents and risky buyers are very real.

As a Listing agent, how would you explain these potential dangers to your seller?

One way is to start with the benefits of working with a professional buyer agent and a serious buyer.

When discussing these buyer-related risks with practitioners, emphasize that these factors represent significant threats to transaction success and seller interests that require professional awareness and mitigation strategies. This approach demonstrates your commitment to comprehensive transaction management by identifying specific challenges that can undermine seller outcomes and transaction efficiency.

The dangers of working with risky buyers extend beyond mere inconvenience to potentially serious seller harm. When addressing these risks, practitioners should recognize that buyer inadequacies can lead to substantive seller disadvantages through wasted time, failed transactions, unnecessary property exposure, or legal complications. These issues directly impact seller financial interests and can result in significant market disadvantages or extended selling periods.

Dangers of Dealing With a Risky Buyer:

- Wasted time due to lack of serious intent or motivation delays market exposure to qualified buyers and extends selling timeline
- Potential lack of access to legal documents creates potential liability and disclosure concerns
- Won't sign representation agreement with Buyer Agent indicates lack of commitment and accountability
- Financing Issues can lead to failed transactions after significant investment of time
- Poor communication skills creates information gaps that prevent efficient transaction progress
- Unnecessary stress due to:
 - low/unreasonable offers
 - unethical or dishonest behavior
 - wanting to take advantage of Seller
 - not adequately advised or educated about home buying process
 - not approved for financing or misrepresents financial situation
 - unreasonable repair requests
 - poor communication skills
- Failure to reach closing due to:
 - failed mortgage qualification
 - inadequate cash resources
 - changing their mind
 - repair disagreements
 - cold feet / Buyer's remorse
- Unrepresented of dual agency status creates potential conflicts of interest and liability concerns

The question about explaining these dangers to sellers provides an opportunity to develop client education strategies that enhance seller decision-making. When addressing this communication challenge, practitioners should develop clear, factual explanations of how buyer qualifications and representation affect transaction outcomes. This education helps sellers understand the relationship between buyer quality and their own transaction experience and results.

The suggestion to begin with benefits of professional representation reflects a positive, solution-oriented approach to risk management. By framing the discussion in terms of advantages rather than dangers, practitioners can help sellers understand the value of encouraging qualified, represented buyers without creating unnecessary anxiety. This balanced perspective helps sellers make informed decisions about buyer qualifications and representation preferences while maintaining a positive marketing approach.

By identifying specific dangers from inadequate buyer qualifications or representation, you help practitioners develop client education strategies that enhance seller decision-making while improving transaction outcomes for all parties.

- » **NET:** It is in both the Seller's and Listing Agent's self-interest to attract "full-time, well trained, highly ethical, and highly competent" Buyer Agents who represent solid, serious Buyers.

Scenario:

The Beach House Challenge

David and Chris, a married couple in their mid-40s, are looking to purchase their dream beach house. They contact Greta, a part-time agent who advertises as a “beach property specialist” but has only been licensed for 6 months. During their first meeting, Greta tells them “Don’t worry about my commission - it’s free for buyers!” and doesn’t present them with any buyer representation agreement.

Over the next few weeks...

- Greta shows them properties well above their stated budget of \$750,000
- She rarely responds to their texts or calls within 48 hours
- She can’t answer basic questions about flood zones or beach erosion regulations
- She suggests they make offers without being pre-approved for financing
- When they find a property they love listed at \$725,000, she discourages them from working with their preferred lender and pushes them to use her “friend” who promises amazing rates
- She tells them not to worry about home inspections since “beach properties are built tough”
- When they express concerns about hurricane insurance costs, she dismisses their worries saying “that stuff usually works itself out”

After growing increasingly frustrated, David and Chris meet Tom, a full-time agent with 15 years of experience and specialized training in coastal properties. Tom takes time to:

- Explain his value proposition and compensation structure clearly
- Present a formal buyer representation agreement
- Connect them with reputable coastal property lenders and inspectors
- Provide detailed market analysis of beach property values and trends
- Share his expertise on coastal regulations and insurance requirements

Let’s Discuss!

Discussion Questions

1. What are the key red flags in Greta’s approach that could put David and Chris at risk?

2. How does Tom’s professional approach better serve the buyers’ interests?

3. What potential problems could arise from working with an agent like Greta versus Tom?

4. How might proper agent compensation structures help ensure better service for buyers?

5. What specific risks do beach properties present that make working with a qualified agent especially important?



What are the ultimate benefits for the Seller and Listing Agent in dealing with higher-level Buyer Agents and Buyers?

- Higher closing rates
- Fewer/no delays in closing
- Far less stress and uncertainty
- More collaborative interactions
- Better overall terms and conditions
- Greater peace of mind
- Greater overall satisfaction
- Higher impression of industry professionals
- Increased perception of value of agents
- Higher compensation for agents

These advantages represent significant value-creation opportunities that enhance transaction outcomes for all parties. This approach demonstrates your commitment to highlighting the positive contributions of professional representation by identifying specific ways that qualified buyer agents and serious buyers improve transaction experiences and results.

The benefits of working with professional buyer agents extend beyond mere convenience to substantive transaction advantages. When addressing these benefits, practitioners should recognize that qualified representation creates value through enhanced communication, efficient processes, informed decision-making, and reduced liability. These advantages directly impact seller outcomes while also protecting buyer interests throughout the transaction.

The specific benefits listed represent different dimensions of professional value that affect transaction success:

- Efficient communication streamlines the transaction process and prevents misunderstandings
- Professional knowledge ensures proper documentation and compliance with requirements
- Transaction management expertise prevents delays and complications
- Ethical representation maintains appropriate boundaries and protects all parties
- Market knowledge facilitates realistic expectations and appropriate decision-making
- Negotiation skills help achieve mutually beneficial outcomes
- Problem-solving capabilities address inevitable challenges effectively
- Commitment to closing demonstrates dedication to transaction completion

When presenting these benefits to sellers, practitioners should connect each advantage to specific seller interests and transaction outcomes. This targeted approach helps sellers understand how professional buyer representation directly enhances their experience and results rather than merely benefiting the buyer or agents.

The benefits of working with serious buyers similarly create substantive transaction advantages. When addressing these benefits, practitioners should highlight how buyer qualification, commitment, and preparation directly impact transaction efficiency and success probability. These buyer characteristics significantly reduce seller risk while enhancing the likelihood of successful closing on favorable terms.

This comprehensive benefit analysis reflects your dedication to highlighting professional value and transaction success factors. By identifying specific advantages from professional representation and serious buyer participation, you help practitioners develop client education strategies that enhance seller decision-making while improving transaction outcomes for all parties. This positive, solution-oriented approach demonstrates your commitment to professional standards that benefit all transaction participants.

The ‘greater peace of mind’ benefit extends to all transaction participants when professional standards are maintained. When addressing this advantage, practitioners should recognize that reduced uncertainty, clearer expectations, and more predictable processes significantly enhance the transaction experience for everyone involved. This emotional benefit directly impacts consumer satisfaction while also reducing stress for practitioners.

The ‘greater overall satisfaction’ outcome reflects the comprehensive improvement in transaction experiences when professional standards are maintained. This satisfaction encompasses not only the final result but the entire process, including communication quality, problem resolution, and relationship dynamics. Higher satisfaction leads to positive referrals, reviews, and long-term professional relationships that benefit all parties.

The ‘higher professional image’ benefit extends beyond individual practitioners to enhance the reputation of the entire profession. When real estate professionals consistently demonstrate expertise, ethical standards, and consumer focus, they collectively elevate public perception of the industry. This improved professional image benefits all practitioners by increasing consumer trust and respect for real estate expertise.

The ‘higher value from agents’ outcome reflects the enhanced service quality that results from professional standards and appropriate compensation. When practitioners receive fair compensation for their expertise, they can invest in ongoing education, technology, and support systems that further enhance the consumer experience. This virtuous cycle creates sustainable value that benefits both consumers and practitioners.

The ‘higher compensation for agents’ benefit reflects the natural market response to demonstrated professional value. When practitioners clearly articulate and deliver exceptional service that protects consumer interests, the market appropriately values this expertise through fair compensation. This appropriate valuation ensures the sustainability of professional representation while attracting and retaining talented individuals in the profession.

These comprehensive benefits reflect the positive outcomes that result when all transaction participants maintain high professional standards. By highlighting how professionalism creates value throughout the real estate ecosystem, you help practitioners understand that maintaining ethical standards and professional excellence benefits everyone involved in the transaction process.

Put yourself in the shoes of a Listing Agent. As a professional negotiator, you know if you offer something of value to the other side, you can ask for something of value in return. This is called the Exchange Principle.

KEY TAKEAWAY

In the new era of Buyer Agency, cooperative compensation may not be offered by the Seller or Listing Broker to the Buyer Broker. BUT IT CAN BE NEGOTIATED!

Exchange Principle

In a negotiation, if one side is offering something of value to the other side, they should always try to get something in exchange for the value offered.

- **Example:** “I’ll give you this if you give me that.” (Concession making and taking)

So as the Listing Agent/Seller, if you are going to offer cooperative compensation to the buyer side (which benefits the buyer by not having to pay some or all of the buyer agent compensation) you should ask for something of value in return.

So, here’s the question: What could you ask for from the buyer agent and/or buyer that would be of real value to you and your seller?

Emphasize that this negotiation concept represents a professional framework for creating mutual value while maintaining ethical standards in transaction discussions. This approach demonstrates your commitment to effective negotiation practices by highlighting how reciprocal value exchange can enhance outcomes for all parties while protecting consumer interests.

The Exchange Principle establishes that when offering something of value (such as cooperative compensation), it is appropriate to request comparable value in return. When addressing this concept, practitioners should recognize that this approach creates opportunities for balanced negotiations that serve all parties’ interests. This reciprocal framework helps establish professional expectations while ensuring each party receives meaningful benefits from the transaction relationship.

From the listing agent/seller perspective, cooperative compensation represents significant value offered to the buyer side. This financial consideration benefits both the buyer (by potentially reducing their out-of-pocket expenses) and the buyer agent (by providing compensation for professional services). When offering this value, listing agents and sellers can reasonably expect reciprocal value that enhances their transaction experience and outcomes.

For potential value exchanges, consider requesting:

- Professional buyer qualification documentation (financial pre-approval, proof of funds)
- Commitment to specific communication protocols and response timeframes
- Agreement to reasonable transaction timelines and milestone dates
- Professional handling of inspection findings and repair requests
- Commitment to good-faith negotiation practices
- Transparency regarding buyer intentions and capabilities
- Willingness to work cooperatively to resolve transaction challenges
- Documented buyer representation through formal agreements

These value exchanges should be presented as professional expectations rather than unusual demands. By framing these requests as standard professional practices, practitioners establish that cooperative compensation exists within a broader context of mutual professional respect and reciprocal value creation.

This value-based negotiation approach reflects your dedication to professional effectiveness and transaction success. By identifying specific value exchanges that benefit all parties, you develop negotiation strategies that enhance client outcomes while improving professional relationships and industry standards. This cooperative approach demonstrates your commitment to ethical negotiation practices that create sustainable value for all transaction participants.

Scenario:

The Lottery Winners' Dream Estate

The Martinez family recently won a \$50 million lottery jackpot. James and Maria Martinez, both in their early 40s with six children ranging from 4 to 16 years old, are looking to purchase a 100+ acre parcel to build their dream estate. Their vision includes a 15,000 square foot main residence, separate guest house, equestrian facilities, sports complex with indoor basketball court, swimming pool complex, and multiple outbuildings for their planned hobby farm. Their budget is \$15 million for the land and improvements.

What are the complex factors?

- No experience with luxury real estate or large land purchases
- Need expert guidance on zoning, water rights, and building restrictions
- Want to ensure their sudden wealth is invested wisely
- Require complete privacy and discretion
- Need a sophisticated team of experts (architects, builders, land planners)
- Concerned about being taken advantage of due to their public lottery win
- Want to create a legacy property for their children
- Need guidance on infrastructure requirements (utilities, road access, security)

Let's Discuss!

Discussion Questions

1. How would well-trained buyer agents benefit this transaction versus poorly trained agents

2. What makes the Martinez family “serious buyers” and how does this benefit all parties?

3. Using the Exchange Principle (“I’ll give you this if you give me that”), what exchanges could be proposed?

4. What specific benefits would all parties receive from a professional approach?



If the Seller and/or Listing Broker do offer cooperative compensation to the Buyer Broker, what commitments should they expect or require from a professional Buyer Agent and a solid Buyer?

“We offer cooperative compensation of _____ (fill in blank)

if you commit to the following:”

- **Commitments from Professional Buyer Agent**

- Committed to professional approach in knowledge, behavior, and meeting obligations
- Evidence of professional skill training (e.g., negotiation skills)
- Prepares Buyer to understand and meet all contractual requirements
- Adherence to appropriate code of ethics
- Will respond to questions/inquiries from Seller side within 24 hours
- Willing to share relevant information as required in support of Buyer offers
- Will always negotiate in good faith
- Requires Buyer to sign formal representation agreement

This is a preliminary list. You can probably think of other ‘commitments’ or ‘requirements’ you would want from a professional buyer agent. You should start giving this some thought and be prepared to make certain demands or requests or require certain pre-requisites to prevent dealing with an ‘unprofessional agent’.

When discussing professional commitments, emphasize that these requirements represent reasonable professional expectations that enhance transaction outcomes while protecting consumer interests. This approach demonstrates your commitment to establishing clear professional standards by identifying specific behaviors and qualifications that contribute to transaction success.

The commitments listed above represent fundamental professional expectations that listing agents and sellers can reasonably request when offering cooperative compensation. When addressing these requirements, practitioners should recognize that these standards serve to protect all parties by ensuring qualified representation and ethical conduct throughout the transaction process.

The ‘**professional approach**’ commitment establishes expectations for business conduct, communication style, and transaction management. This standard ensures that interactions remain focused on transaction objectives while maintaining appropriate professional boundaries and respect for all parties.

The **‘professional skill training’** requirement acknowledges the importance of education and expertise in effective representation. This standard ensures that buyer agents possess the necessary knowledge and skills to navigate complex transaction processes while protecting client interests through informed guidance.

The **‘prepares buyer effectively’** commitment addresses the critical need for buyer education and preparation. This standard ensures that buyers understand transaction requirements, timelines, and potential challenges before entering the process, reducing the likelihood of complications or misunderstandings.

The **‘adherence to Code of Ethics’** requirement establishes clear expectations for ethical conduct throughout the transaction. This standard ensures that all interactions and decisions reflect professional integrity and compliance with established industry ethical guidelines.

The **‘responsive communications’** commitment addresses the essential need for timely information exchange. This standard ensures that transaction progress isn’t delayed by communication gaps and that all parties remain appropriately informed throughout the process.

The **‘willing to share relevant information’** requirement establishes expectations for transparency and disclosure. This standard ensures that all parties have access to information necessary for informed decision-making while maintaining appropriate confidentiality boundaries.

The **‘will always negotiate in good faith’** commitment addresses the foundation of productive transaction discussions. This standard ensures that negotiations remain focused on finding mutually acceptable solutions rather than employing tactics that undermine trust or cooperation.

The **‘requires buyer to sign representation agreement’** requirement establishes clear accountability and commitment. This standard ensures that the buyer-agent relationship is formally established with clear expectations and responsibilities for all parties.

These professional commitments reflect reasonable expectations that enhance transaction quality while protecting all participants. By establishing these standards as conditions for cooperative compensation, listing agents and sellers can encourage professional conduct that benefits the entire transaction process while reducing risks associated with unprofessional representation.

- **Commitments from Solid Buyer**

- Serious about finding a home to purchase
- Proof of financing or cash funds (including funds for over list price offers)
- Will respond to questions/inquiries from Seller side as requested
- Commitment to ethical behavior and honesty
- Will meet contractual obligations in timely fashion
- Will always negotiate in good faith
- Committed to closing deadlines
- Signs formal representation agreement with Buyer Agent

The same thinking applies to buyers. Making certain requests or requirements of buyers can limit the number of risky buyers you might deal with.

So far, we have presented thinking from the seller side of the table. To summarize, if cooperative compensation is being offered from the seller or listing broker, it should be in their self-interest to attach conditions in the form of commitments or guarantees to both justify offering something of value and reducing risk on their side of the table.

Now let's switch sides of the table. You are the buyer agent and neither the seller nor the listing broker are offering any cooperative compensation to you the buyer agent. In the New Normal, you can attempt to 'negotiate' cooperative compensation with the seller or listing broker or both. Again, using the exchange principle, if you want something of value from the other side, what can you offer to entice them to give you what you want?

When discussing buyer commitments, emphasize that these requirements represent reasonable professional expectations that enhance transaction outcomes while protecting all parties' interests. This approach demonstrates your commitment to establishing clear professional standards by identifying specific buyer behaviors and qualifications that contribute to transaction success.

The commitments listed above represent fundamental buyer expectations that listing agents and sellers can reasonably request when offering cooperative compensation. When addressing these requirements, practitioners should recognize that these standards serve to protect all parties by ensuring qualified buyers and ethical conduct throughout the transaction process.

The '**serious intent to buy home**' commitment establishes expectations for genuine buyer motivation. This standard ensures that the transaction process begins with authentic interest rather than casual exploration, protecting seller time and property access while focusing professional resources on viable transactions.

The '**loan pre-approval and/or proof of cash funds**' requirement addresses the critical need for financial qualification. This standard ensures that buyers have the necessary resources to complete the transaction, reducing the risk of failed transactions due to financing issues and protecting all parties from wasted time and resources.

The '**responsive communications**' commitment addresses the essential need for timely information exchange. This standard ensures that transaction progress isn't delayed by communication gaps and that all parties remain appropriately informed throughout the process.

The '**ethical behavior and honesty**' requirement establishes clear expectations for transaction conduct. This standard ensures that all interactions and decisions reflect integrity and transparency, protecting all parties from misrepresentation or manipulation.

The '**meets obligations in timely fashion**' commitment addresses the importance of deadline compliance. This standard ensures that transaction milestones are met according to agreed timeframes, preventing delays that could jeopardize closing or create cascading timeline problems.

The '**negotiates in good faith**' requirement establishes expectations for productive transaction discussions. This standard ensures that negotiations remain focused on finding mutually acceptable solutions rather than employing tactics that undermine trust or cooperation.

The '**committed to closing deadlines**' commitment addresses the critical importance of transaction completion timing. This standard ensures that all parties can rely on established closing dates for their planning and financial arrangements, preventing complications from unexpected delays.

The '**signs representation agreement**' requirement establishes clear accountability and commitment. This standard ensures that the buyer-agent relationship is formally established with clear expectations and responsibilities for all parties.

These buyer commitments reflect reasonable expectations that enhance transaction quality while protecting all participants. By establishing these standards as conditions for cooperative compensation, listing agents and sellers can encourage buyer conduct that benefits the entire transaction process while reducing risks associated with unqualified or uncommitted buyers.

Now let's look at the Exchange Principle when used by the Buyer and Buyer Agent.

If the Seller and/or Listing Broker are not offering cooperative compensation to the Buyer Broker, what should the Buyer and Buyer Agent offer the Seller and Listing Agent in return for cooperative compensation?

"We commit to the following in return for cooperative compensation of _____ (fill in blank):"

- **Commitments From Solid Buyer**
 - Serious about finding a home to purchase
 - Proof of financing or cash funds (including funds for over list price offers)
 - Will respond to questions/inquiries from Seller side within 24 hours
 - Commitment to ethical behavior and honesty
 - Will meet contractual obligations in timely fashion
 - Will always negotiate in good faith
 - Committed to closing deadlines
 - Will sign formal Buyer representation agreement

As the buyer wanting to offer something of value to the seller and/or listing broker, they would pay the compensation for your agent, the commitments or guarantees you would offer would likely be the same as what they asked for from you.

The difference is only in the 'asking' or the 'offering.' In both cases, what will satisfy the seller and listing broker should essentially be the same. So, start thinking about these things. If you are a buyer agent and the seller's side offers no cooperative compensation, what can you offer to get them to give you cooperative compensation? And vice versa. If you are on the seller's side and you want to justify offering cooperative compensation to the buyer side, what can you get in return to satisfy your seller and yourself?

This illustrates the application of the Exchange Principle from the buyer's perspective. When a buyer agent seeks cooperative compensation from the seller or listing broker, they must be prepared to offer value in return. The commitments listed above represent tangible assurances that can be offered to demonstrate the buyer's seriousness and reliability.

The **'serious intent to buy home'** commitment signals to sellers that the buyer is genuinely interested in completing a transaction. This reduces the risk of wasted time and resources for all parties and increases the likelihood of a successful closing, which justifies the cooperative compensation being requested.

The **'loan pre-approval and/or proof of cash funds'** requirement provides concrete evidence of the buyer's financial capability. By offering this verification upfront, the buyer agent demonstrates that they're bringing a qualified buyer to the table, which significantly reduces the risk of transaction failure due to financing issues.

The **'responsive communications'** commitment establishes expectations for timely information exchange throughout the transaction process. This ensures that all parties remain informed and that the transaction progresses efficiently, which benefits everyone involved and justifies the compensation arrangement.

The **'ethical behavior and honesty'** requirement establishes a foundation of trust for the transaction. By committing to transparent and ethical conduct, the buyer and their agent demonstrate their intention to engage in good-faith negotiations, which reduces transaction risk and supports the case for cooperative compensation.

The **'meets obligations in timely fashion'** commitment addresses the critical importance of meeting deadlines throughout the transaction process. This reduces the risk of delays that could jeopardize the closing and demonstrates the buyer's reliability, which adds value to the transaction.

The ‘**negotiates in good faith**’ requirement establishes expectations for productive discussions throughout the transaction. This commitment signals that the buyer intends to work collaboratively toward mutually acceptable solutions rather than engaging in adversarial tactics, which benefits all parties.

The ‘**committed to closing deadlines**’ commitment provides assurance that the buyer understands the importance of timing in real estate transactions. This reduces the risk of delays that could create cascading problems and demonstrates the buyer’s seriousness about completing the purchase.

The ‘**signs representation agreement**’ requirement establishes clear accountability in the buyer-agent relationship. This formal commitment demonstrates that the buyer is serious about working with their agent and following professional guidance throughout the transaction process.

By offering these commitments when requesting cooperative compensation, buyer agents can demonstrate the value they and their clients bring to the transaction. This approach transforms the compensation discussion from a one-sided request to a mutually beneficial exchange, increasing the likelihood of a successful negotiation.

- **Commitments From Professional Buyer Agent**

- Professional approach in knowledge, behavior, and meeting obligations
- Professional skill training
- Prepares Buyer effectively
- Adheres to appropriate code of ethics
- Responsive communications
- Willing to share relevant information
- Will always negotiate in good faith
- Requires Buyer to sign formal representation agreement

What you see here for Commitments from a Professional Buyer Agent is virtually the same as when we were on the seller’s side of the table wanting to get something from the buyer side to justify offering cooperative compensation. Now we are ‘asking’ for something (cooperative compensation) so we have to ‘offer’ something of value.

This completes our examination of the Exchange Principle from the buyer’s perspective by focusing on the professional commitments that buyer agents should offer when requesting cooperative compensation. These commitments represent the agent’s professional value proposition and demonstrate how their expertise benefits all transaction parties.

The ‘**professional approach**’ commitment establishes expectations for conduct throughout the transaction. This standard ensures that all interactions reflect industry best practices and ethical standards, creating a more efficient and positive transaction experience that justifies the cooperative compensation being requested.

The ‘**professional skill training**’ requirement highlights the agent’s expertise and specialized knowledge. By emphasizing their professional development and credentials, buyer agents demonstrate the added value they bring to the transaction through their training and expertise, which supports their request for compensation.

The ‘**prepares buyer effectively**’ commitment addresses the critical importance of buyer readiness. This standard ensures that buyers understand the process, have realistic expectations, and are prepared for each transaction stage, which reduces complications and increases the likelihood of a successful closing.

The ‘**adherence to Code of Ethics**’ requirement establishes clear expectations for professional conduct. This commitment signals that the agent will maintain high ethical standards throughout the transaction, which protects all parties’ interests and supports the case for cooperative compensation.

The **‘responsive communications’** commitment addresses the essential need for timely information exchange. This standard ensures that all parties remain appropriately informed throughout the transaction, preventing delays and misunderstandings that could jeopardize the closing.

The **‘willing to share relevant information’** requirement demonstrates transparency and cooperation. This commitment signals that the agent will provide necessary information to facilitate the transaction, which benefits all parties and justifies the compensation arrangement.

The **‘will always negotiate in good faith’** commitment establishes expectations for productive transaction discussions. This standard ensures that negotiations remain focused on finding mutually acceptable solutions rather than employing tactics that undermine trust or cooperation.

The **‘requires buyer to sign representation agreement’** requirement demonstrates the agent’s professionalism and commitment to clear expectations. This formal step ensures that the buyer-agent relationship is properly established with defined responsibilities, which benefits the transaction by creating accountability.

When buyer agents offer these professional commitments alongside their buyer’s commitments, they present a compelling case for cooperative compensation based on the value they bring to the transaction. This approach transforms the compensation discussion from a one-sided request to a value exchange, emphasizing how professional representation benefits all parties by increasing transaction efficiency, reducing risks, and improving outcomes.

By framing compensation discussions in terms of mutual benefit and value exchange, practitioners can navigate the changing compensation landscape while maintaining professional standards and ensuring consumer protection remains at the forefront of all transaction discussions.

The commitments can be very similar. The major difference is who is first in asking for the commitments (Seller or Listing Broker) vs. first in offering the commitments (Buyer and Buyer Agent).

What can you do if no cooperative compensation is offered by the Seller or Listing Broker?

Past comps may include cooperative compensation from Sellers or Listing Brokers to the Buyer Broker. If no cooperative compensation is offered by the Seller or Listing Broker on a listing, the Buyer side may ask for a sale price adjustment based on the lack of cooperative compensation being offered. If data is not readily available, practitioners may need to reach out to agents of comparable homes to determine how much cooperative compensation was offered on comp homes and used in negotiations. Without any appropriate adjustments to the sale price, the Buyer could argue they are overpaying the Seller by using past comps that included a Buyer Broker cooperative compensation.

NOTE

With the agreement of your Broker and/or attorney, a document/ amendment could be created incorporating these commitments and offered in compensation negotiations. For example: "In exchange for cooperative compensation of _____ the Buyer and Buyer Agent agree to provide the following:..." (list of commitments)



Example

Past Solds/Comps for Seller's home show market sale price range of \$380,000 - \$420,000 or midpoint of \$400,000.

Past Solds/Comps show average cooperative compensation offered by Seller or Listing Broker of 3% of sale price.

3% of \$400,000 = \$12,000 cooperative compensation

If Seller and/or Listing Broker are NOT offering cooperative compensation, Buyer could attempt to negotiate sale price down by \$12,000.

Impact on Seller:

- Sale price reduced from \$400,000 to \$388,000
- If Listing Broker compensation is 3%, the Listing Broker would receive \$360 lower compensation (3% of \$12,000 = \$360)
- Closing costs impact (i.e. title fees, taxes, transfer fees, etc.)

Impact on Buyer:

- Sale price reduced \$12,000 from \$400,000 to \$388,000
- If 20% downpayment on mortgage loan, downpayment decreased from \$80,000 to \$77,600 or \$2,400 (cash available for Buyer to pay Buyer Agent compensation)
- Closing cost impact (i.e. title fees, taxes, transfer fees, etc.)

NEGOTIATING YOUR COMPENSATION WITH YOUR BUYER

Negotiating compensation directly with the Buyer creates similar challenges to the Listing Broker and Seller compensation negotiations. If your Buyer bought several homes in the past, they likely didn't pay their agent's compensation directly.

This will cause a natural resistance that will need to be dealt with. Sometimes the Buyer simply will not have the cash to pay the Buyer Agent. In this case, paying the Buyer Agent may force them to a lower priced home. This is a negative exchange to be avoided if possible. Receiving compensation from the Seller can prevent this. Other times the Buyer may want to "maximize benefits while minimizing compensation to their agent."

Depending on your situation here is a list of options and considerations when negotiating your desired compensation directly with your Buyer:

- Your Effective Value Proposition is your primary justification for your compensation. Offer maximum features and benefits to justify appropriate compensation. Provide as much proof as possible. Demonstrate the unique benefits you'll provide so they receive the best outcome
- Clients may assume how you negotiate for yourself will reflect how you negotiate on their behalf. Don't roll over or give in without a determined effort. Showcase your negotiation skills to your client.
- Consider market conditions in your compensation negotiations. A Seller's market is harder for Buyer Agents and a Buyer's market is normally easier for a Buyer Agent
- Rarely (if ever) reduce your compensation without reducing or eliminating some of your features and benefits. If you agree to reduce your compensation, get something in exchange that will make it easier for you to negotiate on behalf of (or with!) your client:

Negotiate firm commitments from Buyer

- Loan pre-approval and proof of cash funds
- Communication rules/guidelines
- Serious negotiations
- Future referrals
- Complete feedback form
- Bonus opportunity
- Higher retainer fee

Here you will see a list of items to ask the buyer to commit to in return for a lower fee. If you don't eliminate any of your services, try to get some type of commitment that offers the chance of a benefit for you. You'll want to establish mutual expectations for success.

This continues our examination of buyer compensation negotiations by focusing on reciprocal commitments that can be requested when fee adjustments are necessary. These commitments establish clear professional expectations while creating potential alternative value for practitioners who may accept reduced direct compensation.

KEY TAKEAWAYS

- If the Seller or Listing Broker offer cooperative compensation they can require certain conditions of the Buyer Agent and Buyer.
- If the Buyer Agent and Buyer ask for cooperative compensation from the Seller or Listing Broker they can offer certain assurances and/or guarantees in return for the cooperative compensation.
- Since Sellers and/or Listing Brokers may not offer any cooperative compensation, a Buyer Agent must learn to negotiate their desired compensation directly with Buyers.

When discussing compensation with buyers, practitioners should apply the Exchange Principle introduced earlier in the course. If a buyer requests reduced compensation, the practitioner should seek specific commitments in return that enhance transaction efficiency, reduce risks, or create future business opportunities. This approach maintains the professional relationship while acknowledging the value exchange at the heart of the representation agreement.

The **‘loan pre-approval and proof of cash funds’** commitment addresses a fundamental transaction requirement. By securing this commitment upfront, practitioners ensure that buyers are financially qualified before investing significant time and resources in the property search process. This reduces the risk of transaction failure due to financing issues and increases the efficiency of the practitioner’s service delivery.

The **‘communication rules/guidelines’** commitment establishes clear expectations for client-agent interactions. This standard ensures timely responses and information exchange, which enhances transaction efficiency and reduces the practitioner’s time investment in follow-up communications. Clear communication protocols also prevent misunderstandings that could create transaction complications or relationship challenges.

The **‘serious negotiations’** commitment addresses buyer engagement in the transaction process. This standard ensures that buyers approach offers and counteroffers with genuine intent and reasonable expectations, which increases the likelihood of successful transactions and reduces time spent on unproductive negotiations. This commitment helps practitioners focus their efforts on viable transaction opportunities.

The **‘future referrals’** commitment creates potential alternative value through business development. By establishing an expectation for referrals when service quality meets or exceeds expectations, practitioners create opportunities for future business that may compensate for reduced fees in the current transaction. This approach transforms a single transaction into a potential business development relationship.

The **‘complete feedback form’** commitment provides valuable professional development information. This feedback helps practitioners refine their services and identify improvement opportunities, enhancing their value proposition for future clients. This commitment also creates accountability for service quality and client satisfaction.

The **‘bonus opportunity’** commitment establishes performance-based compensation potential. By creating conditions under which additional compensation might be earned (such as exceptional negotiation outcomes or significant time savings), practitioners maintain the possibility of fair compensation for exceptional service while giving buyers control over total compensation based on results.

The **‘higher retainer fee’** commitment addresses cash flow considerations in the representation relationship. By securing an upfront payment that acknowledges the practitioner’s initial time investment and commitment, this approach ensures some compensation regardless of transaction outcome while demonstrating the buyer’s serious intent.

When implementing these commitment requests, practitioners should:

- Present them as professional standards that enhance transaction outcomes rather than personal demands
- Explain how each commitment benefits the buyer through improved service efficiency and effectiveness
- Document agreed commitments in the representation agreement to establish clear expectations
- Maintain flexibility based on individual buyer circumstances and market conditions

This approach to compensation negotiations maintains professional standards while acknowledging market realities and buyer financial constraints. By focusing on mutual commitments rather than one-sided concessions, practitioners create representation relationships built on clear expectations and shared responsibility for transaction success.

Buyer Experience Options Examples

Professional Representation

- ✓ Property tours
- ✓ Preview homes
- ✓ Specific MLS search in both GMLS & FMLS
- ✓ Added to standard database search
- ✓ Home Buyer Guide
- ✓ Access to Home Buyer Facebook Group
- ✓ Research market statistics for home purchase
- ✓ Community updates on desired communities
- ✓ Professional consultation

\$599

Non-Refundable Retainer Fee

Comprehensive Representation

Everything in Professional Representation option PLUS...

<ul style="list-style-type: none"> ✓ Concierge Buyer Services <ul style="list-style-type: none"> ▪ Customized property searches for desired properties ▪ Email, text and calls with homes that meet your search criteria ✓ Weekly buyer status ✓ Master Negotiation on offers 	<ul style="list-style-type: none"> ✓ Moving package <ul style="list-style-type: none"> ▪ 10 moving boxes ▪ Moving labels ▪ Moving supplies ▪ Tape ✓ Post Closing Spoiler Package ✓ Custom gift tailored to your interests ✓ Help with forwarding utilities & address
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\$1000

50% Refundable Retainer Fee

Tiered Buyer Compensation Model with Retainer Fee Example (from *Natasha Ewing Johnson*)

Examples provided to us by one of the RENI instructors, Natasha Ewing Johnson. This is a ‘combo’ approach with tiered services and a retainer fee.

For the **Professional Representation** option, she charges an upfront non-refundable \$599 retainer fee. This provides some compensation if the buyer doesn’t ultimately buy a home using Natasha.

This presents a practical example of a tiered compensation model that incorporates retainer fees, demonstrating how practitioners can structure their services to address changing compensation realities while maintaining professional standards. This approach offers valuable insights into creating transparent, consumer-friendly compensation structures.

The tiered service model presented here exemplifies how practitioners can align service levels with compensation structures in a way that provides consumers with clear choices while ensuring fair compensation for professional services. This approach transforms compensation discussions from negotiations about a single fee to conversations about service value and consumer priorities.

The Professional Representation tier establishes a foundation of essential services that meet core consumer needs while providing a reasonable compensation baseline for practitioners. The \$599 non-refundable retainer fee addresses a significant challenge in buyer representation: the risk of substantial uncompensated time investment if a transaction doesn’t close. This approach ensures that practitioners receive some compensation for their professional expertise and time commitment regardless of transaction outcome.

When examining the specific services included in this tier, practitioners should note how each element delivers tangible consumer benefits while establishing professional standards:

- The ‘property tours’ and ‘preview homes’ services provide essential property access and evaluation, helping consumers make informed decisions while protecting them from potentially problematic properties that might not be apparent in listings.
- The ‘specific MLS search’ services ensure comprehensive property identification across multiple platforms, protecting consumers from missing potential opportunities and ensuring they have complete market information for decision-making.
- The ‘Home Buyer Guide’ and ‘Facebook Group’ access provide educational resources that enhance consumer understanding of the transaction process, empowering them to make informed decisions and recognize potential issues.

- The ‘research market statistics’ and ‘community updates’ services provide critical market context for property evaluation, protecting consumers from overpayment and helping them identify neighborhoods that best meet their needs.
- The ‘professional consultation’ service establishes the practitioner’s role as a trusted advisor who provides expertise and guidance throughout the transaction process, enhancing consumer protection through professional oversight.

When implementing a tiered service model with retainer fees, practitioners should:

- Clearly document all services included in each tier to establish transparent expectations
- Explain how the retainer fee protects both consumer and practitioner interests
- Emphasize the consumer protection benefits of each service element
- Present the model as providing consumer choice rather than restricting service access
- Ensure that all tiers meet minimum professional standards for consumer protection

This approach to compensation structuring maintains professional standards while adapting to changing market conditions and consumer expectations. By providing clear service tiers with corresponding compensation structures, practitioners create transparent relationships that align consumer needs with professional expertise while ensuring fair compensation for valuable services.

The **Comprehensive Representation** option offers more services but requires an upfront \$1,000 retainer fee. If the buyer does buy a home through Natasha, she refunds half of the \$1,000 retainer fee.

This continues our examination of tiered compensation models by presenting the premium service tier that complements the Professional Representation option discussed in the previous slide. The Comprehensive Representation tier demonstrates how practitioners can structure premium service offerings that provide enhanced consumer value while ensuring appropriate compensation for additional professional services.

The \$1,000 retainer fee structure with a 50% refundable component represents a strategic approach to compensation that balances practitioner risk management with consumer financial considerations. This structure acknowledges the significant time investment required for premium services while creating a financial incentive aligned with transaction completion. The partial refund mechanism demonstrates good faith to consumers by returning a portion of their investment when the transaction closes successfully.

When examining the specific enhanced services included in this tier, practitioners should note how each element delivers additional consumer protection and transaction value:

- The ‘**customized property searches**’ service provides targeted property identification beyond standard MLS searches, ensuring consumers have access to all potential properties that meet their specific needs, including those that might be overlooked in broader searches.
- The ‘**email, text, and calls with homes**’ service ensures proactive, multi-channel communication about new listings, protecting consumers from missing time-sensitive opportunities in competitive markets and providing comprehensive market awareness.
- The ‘**weekly buyer status**’ service establishes regular accountability and progress updates, ensuring consumers remain fully informed throughout the representation relationship and creating transparency about the practitioner’s ongoing efforts.
- The ‘**master negotiation on offers**’ service provides enhanced negotiation expertise, protecting consumers through advanced strategic approaches that may secure more favorable terms and conditions than standard negotiation practices.
- The ‘**moving package**’ service extends professional support beyond the transaction closing, helping consumers navigate the logistical challenges of relocation with professional-grade supplies and organization tools that enhance their transition experience.
- The ‘**post-closing spoiler package**’ service demonstrates ongoing commitment to the client relationship, providing practical assistance with post-closing details that many consumers find challenging while creating a positive final impression of the representation experience.

When implementing a premium service tier with higher retainer fees, practitioners should:

- Clearly articulate the additional value provided by each enhanced service element
- Explain how the refundable portion of the retainer aligns practitioner and consumer interests
- Document all premium services in the representation agreement to establish clear expectations
- Provide examples of how each premium service has benefited previous clients
- Emphasize that the choice between service tiers remains with the consumer

This approach to premium service offerings maintains professional standards while providing consumers with clear choices based on their service priorities and financial considerations. By structuring compensation in tiers with corresponding service levels, practitioners create transparent value relationships that acknowledge consumer choice while ensuring fair compensation for enhanced professional services.

Offer tiered compensation program:

This framework for offering three different levels of service represents a transparent approach to consumer choice in professional representation. By clearly defining service tiers, we enable consumers to make informed decisions about the level of representation that best meets their specific needs.

Value Options for Buyer		
Standard (X%)	Optimum (Y%)	Maximum (Z%)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

The blank service tiers are intentionally not filled in—these features and benefits should be customized to your practice and the specific needs of your market’s consumers.

The professional approach to structuring these service tiers follows these principles:

- The Standard option should provide essential professional representation that meets all regulatory requirements and ethical standards, while being basic in scope.
- The Optimum option should offer enhanced professional services that provide substantially more consumer protection and representation benefits than the Standard option, justifying a somewhat higher fee structure.
- The Maximum option should include the highest level of professional representation, with additional services that provide comprehensive consumer protection and support throughout the transaction process.

This tiered approach respects consumer autonomy while ensuring transparency in service offerings. When properly structured, most consumers will select the middle option as it typically represents the best balance of professional service and value. This approach can be applied to both buyer and seller representation, always with a focus on clear disclosure and consumer education about the differences between service levels.

Consider offering your Buyer compensation options:

- Fixed amount on certain services
- Fee per hour for service
- Regular invoices
- Skilled services higher priced

When implementing a menu of services model:

1. Keep the structure simple and straightforward to avoid overwhelming consumers with too many choices. Unlike a complex restaurant menu with dozens of options, your professional services menu should be clear and focused on essential services that protect consumer interests.
2. Structure your pricing based on the professional value delivered. Services can be priced in various formats:
 - Fixed fee pricing for specialized professional services such as negotiation expertise, professional presentation of offers, buyer qualification documentation, and comprehensive property evaluations
 - Hourly rates for time-intensive services like property showings, with clear documentation of time spent
 - Transparent invoicing that clearly documents services provided and their corresponding value
3. Price your services according to the professional expertise required. Services demanding higher levels of professional knowledge, skill, and judgment should be appropriately valued to reflect the consumer protection they provide.
4. Consider implementing a payment structure where certain services are billed as they're provided (such as property showings), while others may be structured as part of the overall transaction compensation.

This approach enhances transparency and allows consumers to understand the specific value of each professional service, supporting informed decision-making throughout the representation relationship.

OTHER RISKS FOR BUYERS

There are two other Buyer categories that should be mentioned:

- **Dual Agency/Intermediary/Transaction Agent (Listing Agent represents both Seller and Buyer):** some Buyers may consider turning to Listing Brokers to represent them in the transaction. This would reduce the need for Buyer Brokers. Some states prohibit Dual Agency. Be prepared to explain the dangers of a Dual Agency for all parties.*

These representation models present significant consumer protection concerns:

- In dual agency arrangements, neither the buyer nor seller receives full representation
- The agent's ability to advocate is neutralized, creating an inherent conflict of interest
- Fiduciary responsibilities are limited, potentially leaving consumers vulnerable
- Information sharing is restricted, reducing transparency
- Professional recommendations and advice are constrained
- Some jurisdictions prohibit dual agency entirely due to these consumer protection concerns
- Similar limitations apply to transaction agent and intermediary models

- **Unrepresented Buyers:** if a Listing Broker can't or won't operate as a Dual Agent, some Buyers will simply "go it alone". This is tempting to a Buyer to avoid coming out-of-pocket to pay a Buyer Broker. Plus, a Buyer could rationalize paying a little more for a home and paying it back over 30 years is a better or more comfortable option vs. having to pay a large amount of cash out-of-pocket to a Buyer Broker. Be prepared to highlight the real dangers for an unrepresented Buyer.

Proceeding without professional representation exposes consumers to substantial risks:

- Absence of professional guidance through complex transaction processes
- No dedicated advocate to protect the buyer's interests
- Limited experience in evaluating property conditions, market values, and contract terms
- Increased burden on listing agents who must maintain ethical standards while primarily representing seller interests
- Higher potential for misunderstandings and disputes during the transaction
- Consumers often cite car-buying experiences as justification for proceeding without representation, yet many consumers report negative experiences in that context as well

These two options for Buyers make it even more important for Buyer Brokers to have compelling value propositions.

As a professional representative, your ethical obligation includes educating consumers about these representation options and their potential implications. This allows consumers to make informed decisions about their representation needs based on a clear understanding of the protections afforded by dedicated buyer representation versus the limitations of alternative models.

The professional standard is to ensure consumers fully understand how representation choices may impact their transaction experience and outcomes, particularly regarding consumer protection, advocacy, and professional guidance.

**In Dual Agency both parties only have limited capacity representation opposed to full representation.*

EXERCISE

As a final exercise, identify other risks to the following list that a Buyer takes in not being represented by a Buyer Agent or being in a Dual Agency situation with the Listing Agent.

Risks:

- No professional advice, guidance, or recommendations
- Lack of quality information for decision-making
- Paying too much for the home
- Appraisal issues
- Buying home that doesn't meet needs
- Not knowing who or what to believe
- Inadequate negotiation skills
- No proven system or methodology for creating and executing a strategic plan
- Lack of access to professional resources (e.g., lender, home inspector, title company, etc.)
- Potential legal expenses due to dishonest or unethical Seller
- Sense of being lost or at a disadvantage in dealing with other "experts"
- Losing face with friends, relatives, or colleagues
- Potential emotional issues with spouse or other family members

• Other: _____

• Other: _____

• Other: _____

• Other: _____

• Other: _____

• Other: _____



FINAL THOUGHTS

These recent changes are creating opportunities for skilled Buyer Agents. Buying a home is a very complex undertaking, especially for someone without adequate training or as a skilled guide. Your capabilities and expertise as a Buyer Agent are critically important to many people. Your Effective Value Proposition helps attract clients, communicate your value, get results, and earn higher compensation. Build your capabilities and skills. Focus on trust-based relationships to get the best results. Be confident in the benefits you offer your clients. A professional approach will separate you from the crowd and lead to undreamed-of success!

- Buyer Agent = PROFESSIONAL REPRESENTATION for Buyer
- Your Effective Value Proposition is your pathway to success in providing superior consumer protection
- Maximize & customize your benefits to address specific consumer needs
- Communicate your value effectively by emphasizing how your services protect consumer interests
- Build your capabilities and skills to enhance your ability to protect consumers throughout the transaction
- Become a Trusted Advisor and true professional dedicated to ethical representation and consumer education

KEY TAKEAWAYS

It is critical to develop your Effective Value Proposition quickly to get ahead and stay ahead of your competition.

As we conclude our discussion on professional buyer representation in today’s evolving real estate landscape, it’s important to emphasize several key principles that will guide your practice:

Professional Representation as Core Value

Your primary value to consumers lies in your commitment to professional representation. This means consistently prioritizing consumer protection, ethical standards, and fiduciary responsibility throughout every transaction. In an environment where representation models are evolving, your dedication to professional standards distinguishes your services and provides essential consumer safeguards.

Effective Value Proposition Communication

Your ability to clearly articulate your Effective Value Proposition (EVP) directly correlates with your success in serving consumers. When consumers fully understand the specific protections and benefits your representation provides, they can make informed decisions about their real estate transactions. This transparency builds trust and establishes the foundation for productive professional relationships.

Customization for Consumer Protection

Each consumer has unique needs and concerns. By tailoring your professional services to address these specific requirements, you enhance the protection you provide. This consumer-centric approach demonstrates your commitment to individualized representation rather than a one-size-fits-all model.

Clarity in Communication

Maintaining simplicity and clarity in your communications ensures consumers fully comprehend the value and protections you offer. Complex terminology or overwhelming information can create barriers to understanding. Focus on clear, straightforward explanations that emphasize consumer benefits and protections.

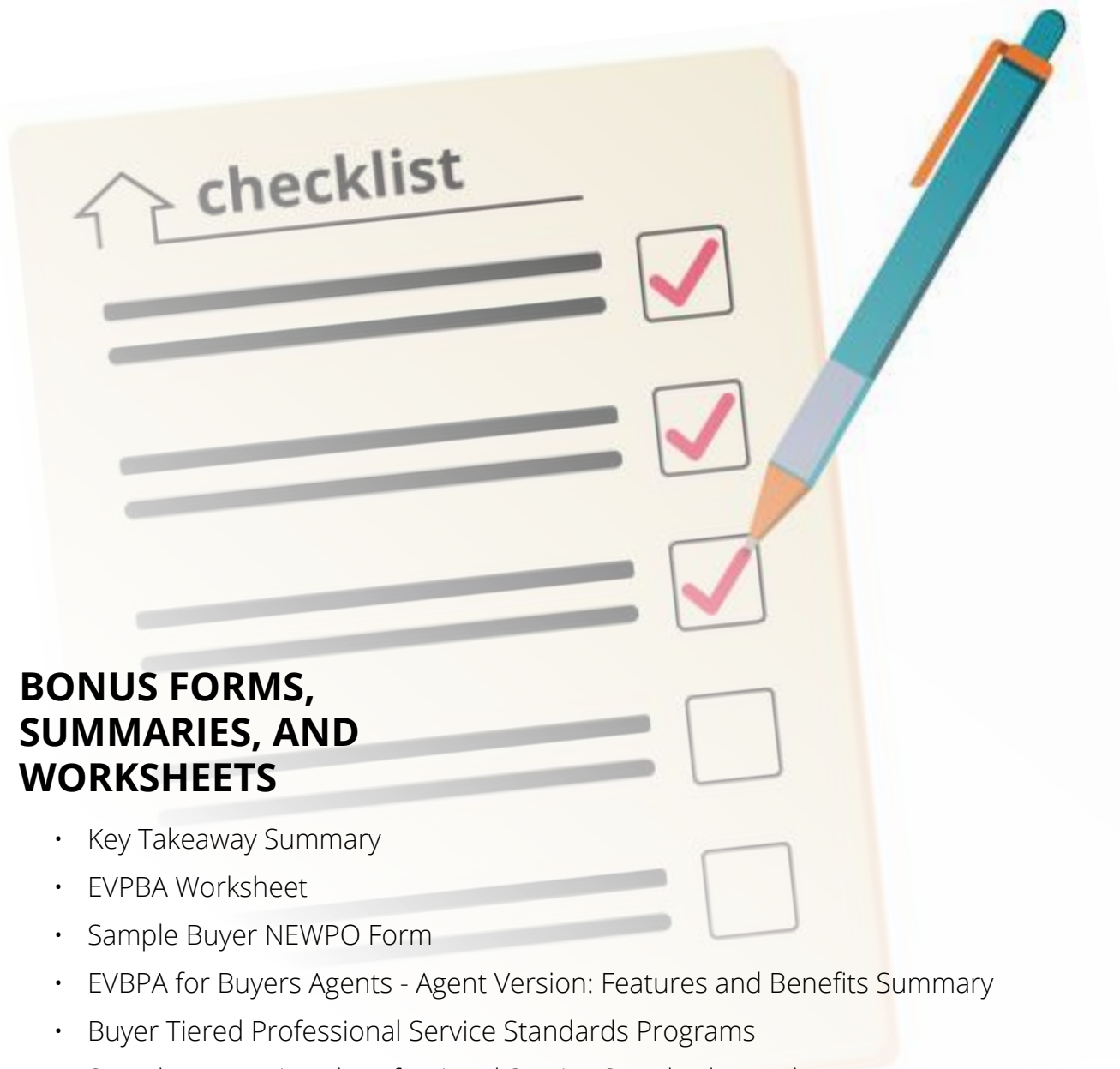
Continuous Professional Development

The real estate profession continues to evolve, requiring ongoing enhancement of your knowledge and skills. By committing to continuous learning and professional growth, you strengthen your ability to protect consumer interests through all market conditions and regulatory changes.

Trusted Advisor Status

Ultimately, your goal should be recognition as a trusted advisor who consistently upholds the highest professional standards. This status is earned through demonstrated expertise, ethical conduct, and unwavering commitment to consumer protection throughout every transaction.

Additional Notes: _____



BONUS FORMS, SUMMARIES, AND WORKSHEETS

- Key Takeaway Summary
- EVPBA Worksheet
- Sample Buyer NEWPO Form
- EVBPA for Buyers Agents - Agent Version: Features and Benefits Summary
- Buyer Tiered Professional Service Standards Programs
- Sample Buyer Tiered Professional Service Standards Loyalty Agreement
- Buyer and Buyer Agent Introduction Guidelines
- Buyer Presentation Tips
- Value Proposition Flyer Example
- Buyer Agent Roles
- Building Trust With Your Buyer Quickly
- Managing Emotions During the Home Buying Process
- Buyer Risk Mitigation
- Recommended Reading

KEY TAKE AWAY SUMMARY

- 🔑 To be successful as a Buyer agent in this new era, you must know and effectively communicate an Effective Value Proposition. Your ability to do this will greatly influence your overall success including your compensation opportunities.
- 🔑 Your Effective Value Proposition should include both objective value elements and benefits (fact-based) as well as subjective value elements and benefits (personal feelings). How your Buyer feels throughout the entire transaction is just as important as the final results or outcomes.
- 🔑 The starting point for your Effective Value Proposition is an understanding of your Buyer's potential Needs, Expectations, Wants, Priorities, and Outcomes (NEWPO).
- 🔑 Your Effective Value Proposition is the foundation for all negotiations with your client.
- 🔑 Maximize your client benefits. Clearly communicate and demonstrate your skills and capabilities. Build trust effectively and quickly with your client.
- 🔑 As you create your Effective Value Proposition and Buyer Presentation, customize them for each client group.
- 🔑 Your Value Summary Statement or Tagline should grab the attention of your prospective Buyer and encourage more interaction.
- 🔑 Buyers buy based on the benefits (and expectations) of your service, not the features. Every feature of your service must communicate a meaningful benefit or benefits.
- 🔑 Your Features & Benefits Summary showcases your capabilities and benefits. Start with a high-level view and be prepared to drill down deeper as required by the client.
- 🔑 Your proof or track record of success can significantly increase your client's confidence and trust in you. This will be a persuasive part of your compensation negotiations.
- 🔑 When your top-level Effective Value Proposition content is complete, hire a talented graphic designer to put together professional marketing materials.
- 🔑 When negotiating with your Buyer, focus on their self-interests, exchanges, and sound logic to persuade them to sign a representation agreement.
- 🔑 The NAR Code of Ethics allows for brokers to negotiate cooperative compensation. Make sure you understand, and abide by, the rules in doing so.
- 🔑 In the new era of Buyer Agency, cooperative compensation may not be offered by the Seller or Listing Broker to the Buyer Broker.
- 🔑 If the Seller or Listing Broker offer cooperative compensation they can require certain conditions of the Buyer Agent and Buyer.
- 🔑 If the Buyer Agent and Buyer ask for cooperative compensation from the Seller or Listing Broker they can offer certain assurances and/or guarantees in return for the cooperative compensation.
- 🔑 Since Sellers and/or Listing Brokers may not offer any cooperative compensation, a Buyer Agent must learn to negotiate their desired compensation directly with Buyers.
- 🔑 It is critical to develop your Effective Value Proposition quickly to get ahead and stay ahead of competition.

EFFECTIVE VALUE PROPOSITION

WORKSHEET BUYER AGENT - BUYER

GUIDELINES:

- Your **Effective Value Proposition** always focuses on the Buyer's *needs, expectations, wants, priorities & outcomes*
- Your **Effective Value Proposition** should clearly communicate your capabilities and benefits for Buyers.
- You must **differentiate** yourself and show why you are a better choice than your competition.

This EVP focuses on:

- | | | |
|--|---------------------------------------|--|
| <input type="checkbox"/> General Buyer | <input type="checkbox"/> Military | <input type="checkbox"/> First-Time Home Buyer |
| <input type="checkbox"/> Investor | <input type="checkbox"/> Generation | <input type="checkbox"/> Luxury |
| <input type="checkbox"/> Urban | <input type="checkbox"/> Other: _____ | |

Area	Top Level Needs, Wants, Expectations, Priorities & Outcomes
Their Agent	
Solutions for Problems	
Overall Experience	

VALUE SUMMARY STATEMENT

WHAT I do for my buyer and HOW (in general) I do it:

- _____
- _____
- _____

TAGLINE

- _____
- _____
- _____

FEATURES AND BENEFITS SUMMARY

Select from the Features and Benefits (F&B) list below and modify as you desire. Add new Features and Benefits as appropriate. (See Agent Version: Features and Benefits Summary in student materials)

- **Trusted Advisor Approach** for superior consultation, advice, and results
- **Home Buyer Education Process** for informed decision-making
- **Detailed Buyer Discovery Process** to ensure a deep understanding of all buyer needs
- **Buyer Complete Financial Analysis** to optimize financial opportunities
- **Thorough Market Analysis & Strategy** to plan and achieve outstanding results
- **ACCE Negotiation Methodology** for a disciplined approach to negotiating your results
- **Professional Presentation of Buyer Qualifications to Listing Agents and Sellers** for ideal buyer positioning vs. competition
- **Legal Documents Review** to ensure your understanding, confidence, and protection
- **Collaborative Network of Experts** focused on your success during and after your purchase
- **Transaction Management Methodology** to ensure on-time closing
- **Buyer Preferred Technology Options** to meet the needs of every client
- **Buyer Tiered Professional Service Standards Program** to provide the best Buyer experience in real estate
- **Long-Term Professional Relationship Standards** to meet your family housing needs for years to come
- **Home Evaluation and Rating Process** to ensure best choices are made
- **Client Satisfaction Guarantee** to deliver highest level of service in real estate

Prepare details of your general categories for use in your Buyer Presentation (see Agent Version: Features and Benefits Summary in student materials).

PROOF

Choose your proof from the list in Effective Value Propositions for Buyer Agents.

NOTE

If you have the Certified Negotiation Expert (CNE) designation you can include "Top 3% of agents in negotiation skills; if you have the Master Certified Negotiation Expert (MCNE) designation you can include "Top 1% of agents in negotiation skills.

PUTTING IT ALL TOGETHER

Hire a talented graphics designer to develop a marketing flyer, brochure, or webpage for maximum impact!

Additional Notes: _____

SAMPLE BUYER NEWPO FORM

TOP NEEDS
(Minimums or Maximums You Must Have - No Deal Without These in Buying Your Home)

Home Purchase Price

Down Payment

Closing Date

Home Features

Other

TOP EXPECTATIONS
You Have and Want Met for Your Home Buying Experience

Your Agent

Your Overall Experience

Other

Other

Other

TOP WANTS

(Nice to Have if Possible) You Have for Your Home Buying Experience

Home Purchase Price

Down Payment

Closing Date

Home Features

Other

TOP PRIORITIES

You Have for Your Home Buying Experience (e.g., location, home style, features, etc.)

For You

For Your Spouse

**For Other Family
Members**

General

Other

TOP OUTCOMES

(Specifics) You Desire From Your Home Buying Experience

1.

2.

3.

4.

5.

TOP POTENTIAL PROBLEMS*You Want Solutions For in Your Next Home***Financial****Timing****Other****Other****Other****DEFINITION GUIDELINES**

- **Top Needs:** These must be satisfied to move forward with the purchase with comfort and confidence.
- **Top Expectations:** Based on current needs, prior experiences, or your desires
- **Top Wants:** Higher than needs; would really like to have if at all possible
- **Top Priorities:** General ranking of your important needs, expectations, or wants
- **Top Outcomes:** Desired general or specific outcomes for you and your family
- **Potential Problems:** Issues that might keep you up at night that need to be dealt with

EFFECTIVE VALUE PROPOSITION FOR BUYER AGENTS - AGENT VERSION

FEATURES & BENEFITS SUMMARY

NORMAL BUYER AGENT APPROACH

Normal Buyer Agent Feature	Benefits
Gathering Information	Understand Buyer Situation
Buyer Education Process	General Description of Home Buying Process
Mortgage Lender	Help Buyer Get Pre-Qualified
Show Buyer Homes	Identify Potential Homes and Tour
Negotiate Purchase Contract	Help Buyer with Purchase Contract
Closing	Help Buyer Get to Closing

“EFFECTIVE VALUE PROPOSITION” BUYER AGENT APPROACH

Primary EVP Buyer Agent Feature	Benefits
<p>Trusted Advisor Approach</p> <p>» MAJOR DIFFERENTIATOR - To create a professional image that adds more value than a “real estate agent”</p>	<p>Exceptional results through professionalism, expertise, and trust</p> <ul style="list-style-type: none"> • Understand needs and desires • Identify options • Discuss pros and cons of each option • Select option • Develop appropriate strategy for success
<p>Total Experience Focus</p> <p>» MAJOR DIFFERENTIATOR: To help Buyer maximize positive emotions and minimize negative emotions during entire home buying process</p>	<p>Influencing outcomes and emotions for best total experience</p> <ul style="list-style-type: none"> • Identifying Buyer primary emotions • Help Buyer experience positive emotions • Help Buyer address negative emotions • Help Buyer resolve causes of any negative emotions
<p>Detailed Buyer Discovery Process</p> <p>» MAJOR DIFFERENTIATOR - To gather information about needs, wants, expectations, priorities, and desired outcomes while establishing trust and role as trusted guide</p>	<p>To ensure deep understanding of all buyer needs</p> <ul style="list-style-type: none"> • Information gathering • Probing questions • Demonstrating expertise and trust • Building bridge to solutions
<p>ACCE Negotiation Methodology</p> <p>» MAJOR DIFFERENTIATOR - To showcase #1 skill clients want in agent; to differentiate agent from competition; to instill confidence in buyer; to position agent as expert negotiator for best results</p>	<p>Structured, disciplined approach to negotiating with your money</p> <ul style="list-style-type: none"> • ACCE Negotiation Methodology • Buyer options in Seller Market • Buyer opportunities in Buyer Market • Proactive planning of all negotiations

Primary EVP Buyer Agent Feature	Benefits
<p>Professional Presentation of Buyer Qualifications to Listing Agents and Sellers</p> <p>» MAJOR DIFFERENTIATOR - To position buyer advantageously vs. other buyers; to differentiate agent vs. other agents who do not mention this important feature</p>	<p>Elevated Buyer positioning to set you apart for success</p> <ul style="list-style-type: none"> • Buyer Introduction • Buyer offer and counteroffers cover letters • Buyer's Agent Introduction • Buyer offer and counteroffers presentation
<p>Buyer Tiered Professional Service Standards Program</p> <p>» MAJOR DIFFERENTIATOR - To motivate buyer to want to do business with agent because of special services; differentiates agent from other agents; builds trust and loyalty</p>	<p>Best Buyer Treatment in Real Estate</p> <ul style="list-style-type: none"> • Buyer Resale Program • Homes for Heroes • Local Move Program • Handyman for a Day Program • Network of Providers • Priority Buyer Loan Approval Program • Buyer Offer Presentation Program • Tiered Professional Service Standards Loyalty Agreement • Priority Communication Program • Client Appreciation Program • Referral Program
<p>Home Evaluation and Rating Process</p> <p>» MAJOR DIFFERENTIATOR - Disciplined process to ensure buyer evaluates all properties using the same criteria so best overall home is selected</p>	<p>Detailed approach to ensuring you make the best choice for you and your family</p> <ul style="list-style-type: none"> • Buyer's Desires and Limitation Summary • Prioritization of Needs and Wants • Specific home showings and evaluations • Final overall home rating
<p>Client Satisfaction Guarantee</p> <p>» MAJOR DIFFERENTIATOR - To provide buyers with clear accountability standards and service commitments that establish measurable expectations for the professional relationship</p>	<p>Commitment and dedication to highest level of service</p> <ul style="list-style-type: none"> • Uncompromising service • Spotlight on YOU • Collaborative, flexible approach • Servant mindset
<p>Long-Term Professional Relationship Standards</p> <p>» MAJOR DIFFERENTIATOR - To establish expectation of ongoing relationship for future business; to increase agent sphere of influence; to generate future referrals</p>	<p>Meeting all of your family housing needs for years to come</p> <ul style="list-style-type: none"> • Regular communications • Market updates • Equal commitment to family members and all referrals
Secondary EVP Buyer Agent Feature	Benefits
<p>Home Buyer Education Process</p> <p>» DIFFERENTIATOR - Establish credibility and expertise to help buyer feel comfortable with and informed about the home buying process</p>	<p>Ensure informed decision-making</p> <ul style="list-style-type: none"> • Expectations setting • Use of checklists and templates • Identify needs, wants, and desires • Home search • Home tours and evaluations • Negotiate planning and execution • Execute purchase contract • Close on home • Start your dream!

Secondary EVP Buyer Agent Feature	Benefits
<p>Buyer Complete Financial Analysis</p> <p>» DIFFERENTIATOR - To provide buyer with appropriate financial resources for expert guidance on understanding option</p>	<p>Understanding and planning based on your financial situation and opportunities</p> <ul style="list-style-type: none"> • Mortgage lender process and options • Buyer Fast Pre-Approval • CFP (Certified Financial Planner) review if necessary/ desirable • Home investment guidance as required • Complete cost and risk analysis of home buying process
<p>Thorough Market Analysis & Strategy</p> <p>» DIFFERENTIATOR - To help buyer understand current market and provide guidance on strategy and options</p>	<p>Complete understanding of the local housing market with a strategic plan for success</p> <ul style="list-style-type: none"> • Buyer needs identification • Market areas identification • Macro and micro marketing analysis • Micro property analysis • Select property reviews and analysis • Market strategy options
<p>Legal Documents Review</p> <p>» DIFFERENTIATOR - To provide buyer with appropriate legal guidance and legal resources as required</p>	<p>Understanding, comfort, and protection</p> <ul style="list-style-type: none"> • Buyer Representation Agreement • Purchase Contract Understanding • Appropriate legal reviews • Financial document reviews with lender • Title documents reviews with title company • Home inspector document review • Home warranty review
<p>Collaborative Network of Experts</p> <p>» DIFFERENTIATOR - To instill confidence in buyer that agent has all necessary resources and support to help buyer get best outcome</p>	<p>Core team that focuses on your success</p> <ul style="list-style-type: none"> • Broker • Agent Team • Key Third Party Members (Mortgage, Home Inspector(s), Attorney)
<p>Transaction Management Methodology</p> <p>» DIFFERENTIATOR - To educate buyer and instill confidence in getting to a successful closing</p>	<p>Ensuring closing milestones are met for on-time closing</p> <ul style="list-style-type: none"> • Project management approach • Purchase contract milestones and deadlines tracking and execution for both Buyer and Seller • Anticipation of potential issues • Proactive approach to prevent problems
<p>Buyer Preferred Technology Options</p> <p>» DIFFERENTIATOR - To provide desirable technology choices for buyer</p>	<p>Technology Choices for YOU</p> <ul style="list-style-type: none"> • Portal for Homes for Sale • Digital Initial Home Showings <ul style="list-style-type: none"> ◦ Virtual Staging ◦ Virtual Tours ◦ 3D Home View • Digital Forms Execution

BUYER TIERED PROFESSIONAL SERVICE STANDARDS

Program	Description	Benefits
Buyer Resale Program	<ul style="list-style-type: none"> Buyer Agent agrees to sell home for buyer at discount if buyer needs or wants to sell home after buying home <ul style="list-style-type: none"> within 6 months at maximum discount 6 – 24 months at X % fee reduction 2 – 10 years at Y% fee reduction 	<ul style="list-style-type: none"> Maximum discount for buyers who HAVE or WANT to sell after buying Removes buyer anxiety Long term value for clients
Homes for Heroes - a Program of Giving*	<ul style="list-style-type: none"> Home for Heroes national program Hero Rewards for firefighters, law enforcement, military, healthcare workers, EMS, and teachers Affiliate partners pay annual membership fee + 30% referral fee on hero closings Hero buyer receives Hero Rewards check = .7% of purchase price Hero seller receives LA fee credit at closing 	<ul style="list-style-type: none"> Buyer gets Hero Rewards Seller gets reduction in listing fee Agents support local community through established program
Local Move Program	<ul style="list-style-type: none"> Buyer Agent provides financial help with local move for Buyer Buyer Agent provides moving truck for local move for buyer Buyer Agent has special arrangement with local moving company for buyer clients 	<ul style="list-style-type: none"> Buyer receives unexpected help with local move Buyer feels better treated by agent
Handyperson for a Day Program	<ul style="list-style-type: none"> Buyer Agent provides third party help for a day at no cost 	<ul style="list-style-type: none"> Buyer receives needed help for minor repairs or fixes Buyer feels better treated by buyer agent
Network of Providers Program	<ul style="list-style-type: none"> Buyer Agent provides a list of approved local service providers with contact information for use during and after transaction Local providers list can include Accountant, Alarm Service, Appliance Sales, Air Conditioning/Heater, Attorney, Carpet/Tile Cleaning/Install, Cabinets/Countertop/Floor, Certified Financial Planner, Electrician, House Cleaning, Garage Door, General Contractor, Handyman, Home Inspections, Home Warranty, Insurance, Landscaping/Yard Work, Locksmith, Mortgage Lender, Movers, Painter/Dry Wall, Pest/Termite, Pool Service, Plumber, Roofer, Septic, Sun Screens, Title/Escrow, Window Cleaners, Window Installation/Repair, Remodeling Services, Interior Decorating 	<ul style="list-style-type: none"> Buyer receives approved resource list Buyer receives discounts or special offers Buyer views Buyer's Agent as major resource
Priority Buyer Loan Approval Program	<ul style="list-style-type: none"> Buyer Agent has preferred mortgage lenders who will expedite buyer's loan pre-approval through underwriting including credit repair as required 	<ul style="list-style-type: none"> Fast loan approval Favorable positioning with sellers

Program	Description	Benefits
Buyer Offer Presentation Program	<ul style="list-style-type: none"> Buyer Agent commits to presenting Buyer's offer either in-person to listing agent and seller, via recorded video, or in a detailed cover letter via electronic transmission. The best option will be selected subject to the limitations dictated by the seller's side. 	<ul style="list-style-type: none"> Better representation for Buyer Chance to build relationship with seller side
Tiered Professional Service Standards Loyalty Agreement	<ul style="list-style-type: none"> Documentation of Buyer Tiered Professional Service Standards Program signed by both Buyer and Buyer's Agent. 	<ul style="list-style-type: none"> Best Treatment in Real Estate
Priority Communication Program	<ul style="list-style-type: none"> Buyer's preferred method and times for communication will be followed by Buyer to best of ability. 	<ul style="list-style-type: none"> More effective and timely communication for Buyer Better overall experience
Referral Program	<ul style="list-style-type: none"> Buyer Agent commits to providing the same treatment to any referrals from Buyer. 	<ul style="list-style-type: none"> Buyer's reputation will be maintained. Buyer's Agent reputation will be maintained.

SAMPLE BUYER TIERED PROFESSIONAL SERVICE STANDARDS

LOYALTY AGREEMENT

_____ (Buyer Agent) agrees to provide
 _____ (Buyer) the benefits outlined below and
 on the attached Buyers Tiered Professional Service Standards Programs Summary as part of
 the Buyer Tiered Professional Service Standards Program for Buyer:

- Buyer Resale Program
- Homes for Heroes Program
- Local Move Program
- Handy person for a Day Program
- Network of Providers Program
- Priority Buyer Loan Approval Program
- Buyer Offer Presentation Program
- Tiered Professional Service Standards Loyalty Agreement
- Priority Communication Program
- Referral Program

Buyer Agent and Buyer agree to be loyal to each other during the length of this transaction and as mutually desired beyond this transaction.

Buyer Agent will use best efforts to meet Buyer’s needs in each program desired by Buyer.

Buyer understands some programs may not apply or be available to Buyer depending on various circumstances. Buyer acknowledges the stated benefits may vary depending on the Buyer’s, Buyer Agent’s, and recommended provider’s circumstances.

BUYER’S AGENT

 PRINTED NAME

 SIGNATURE DATE

BUYER

 PRINTED NAME

 SIGNATURE DATE

BUYER AND BUYER AGENT

INTRODUCTION GUIDELINES

BUYER INTRODUCTION GUIDELINES

It is perfectly acceptable to include a buyer introduction letter with the buyer's offer if done properly. **To avoid potential Fair Housing issues in letters written from home Buyers to home Sellers, adhere to the following guidelines:**

- Focus on **features and benefits** of home
- Communicate **cooperative attitude**
- Make **sincere compliments** about sellers' home
- Emphasize commitment to **being good neighbors**
- **Emotion** must be authentic and not viewed as fake or manipulation
- Create **potential connections** between buyer and seller outside of Fair Housing areas (e.g., Veteran, school board member, education, high school/college, professions, etc.)
- **Avoid information directly or indirectly related to Fair Housing or NAR COE discrimination categories:** race, color, religion, sex, national origin, disability, familial status, sexual orientation, or gender identity

BUYER AGENT INTRODUCTION GUIDELINES

Representing your Buyer properly includes presenting a positive image and adhering to the highest professional standards as the Buyer's Agent.

The purpose of including a "Buyer's Agent Introduction" is to instill confidence in the Seller and Listing Agent in dealing with you as the Buyer's representative. This should be an important factor for Sellers and Listing Agents as a poor Buyer's Agent can make the transaction very difficult or even unsuccessful.

Here are some guidelines on what to include in your "Buyer Agent Introduction. The goal is to create a positive first impression and a desire to work with you as a trusted professional.

- Include your name and brokerage information
- State that you are delighted to represent your buyer
- Be humble and optimistic that an agreement will be reached
- State that you are committed to finding a solution that meets both side's needs
- Try to establish a connection directly with the listing agent or seller through something you have in common
- Initially strive to communicate cooperation vs. coming across as confrontational
- Be polite and respectful of all parties
- Build up your buyer as being highly desirable and qualified
- Emphasize your experience without being arrogant or trying to establish any sense of superiority
- Advocate in every way for your buyer

If you are presenting your Buyer's offer or counteroffer in-person you should start with a SMILE as you present your brief introduction. If you are sending a video of you presenting your Buyer's offer or counteroffer, you should also start with a SMILE as you present your brief introduction. If you are sending a cover letter with your Buyer's offer or counteroffer, include your brief introduction if you haven't included it in a previous communication.

BUYER PRESENTATION TIPS

BUILDING TRUST

Trust is perhaps the most critical relationship component. As mentioned earlier, trust-based relationships get better results faster!

Using Stephen M.R. Covey's trust model, here are the 2 primary factors in building trust:

Character	Competency
Integrity – being honest and truthful Intent – your motive or agenda and behavior	Capabilities – your capabilities inspire confidence Results – your past performance can be a predictor of future success

For more information about building trust with your client, see our **“Building Trust With Your Buyer QUICKLY”** guide or read Stephen M.R. Covey's book entitled **“The Speed of Trust”**.

DISCOVERY DIALOGUE (NEEDS, EXPECTATIONS, WANTS, PRIORITIES, AND OUTCOMES OR NEWPO)

Your initial discovery meeting with your client is the most important step in the process. Your goals are to: 1) gather all of the right information, 2) build trust, 3) create connections, and 4) establish your expertise.

Here are some important principles to follow:

- Talkers dominate conversations, listeners control them by asking questions.
- Asking the right questions gives you the information you need to build your case on why you are the best agent to help your client.
- Getting the client to talk about their situation accomplishes two very important things:
 - Talking about yourself makes you feel good due to the release of dopamine in the brain.
 - People feel very positive about the other person who is letting them talk about themselves.
- The more they talk, the more connected they become to YOU!
- The questions you ask are far more powerful than anything you say.
- The magic of “sales” is in the discovery, not the closing.
- Clients are like icebergs. Get below the surface.
- Jeb Blount, a global sales expert, says your buyer is thinking about several things in the first meeting with you:
 - *Do I like you?*
 - *Can I believe and trust you?*
 - *Do you listen to me?*
 - *Do you make me feel important?*
 - *Do you get me and my problems?*

You must create positive responses to these areas by being likeable, using active listening skills, demonstrating high character and expert skills, keeping the spotlight on your client, and probing to understand their situation at a deep level.

- Comments about yourself are always related to your client's situation and how you can help them accomplish their goals better than anyone else.
- After you have asked questions (open-ended) and gathered the right information, you build a bridge from their situation to your solutions to help them. When describing how you can help your client, use similar language, or phrases your client used when conveying their situation to you. This is referred to as "mirroring" which creates an unconscious connection when hearing someone who sounds like you. (This is not manipulation which is influencing some to do something for your benefit vs. their benefit. Mirroring is a language technique that conveys you were actually listening to the other party.)
- **Job Blount recommends the following Discover questions for use in gathering relevant information:**
 - **D**ata questions to gather facts
 - **I**ssue questions to probe for problems and pain
 - **S**olutions questions to introduce alternatives and awareness of new ideas
 - **C**onsequence questions to identify risks, concerns, and challenges of not acting
 - **O**utcome questions to reveal client expectations
 - **V**alue questions to organize client priorities
 - **E**xample questions to create awareness that problems exist
 - **R**ationale questions reveal how decisions are made
- Develop your questionnaire and write down answers from your client. This communicates both the importance of the information and your desire to capture the information.

KEY TAKEAWAY

Your discovery dialogue is the most important part of your initial buyer meeting. Have a system, to identify and capture their **Needs, Expectations, Wants, Priorities, and Outcomes (NEWPO)**. Remember to identify problems as you listen and provide solutions to those specific problems in your Effective Value Proposition presentation. This helps set and manage expectations.



BUYER HOME BUYING PROCESS EDUCATION

First-time buyers have never been through the process of buying a home. Repeat home buyers have likely not been through the process in many years. It is in your and your client's self-interest to educate your buyer about what they are going to experience in today's home buying process.

Sometimes you can use the analogy of planning for a trip. You know the ideal destination you want to get to, but you are not quite sure about the journey to get there. There are many potential factors you need to consider and prepare for, e.g., type of vehicle, weather, time of year, route, planning for emergencies, costs, length of journey, etc., etc., etc.

Educate your clients accordingly and set or manage expectations. Unmet expectations can destroy trust. Help them feel comfortable and confident with you as their guide!

BUILDING THE BRIDGE

After you understand your client's situation (including Needs, Expectations, Wants, Priorities, and Outcomes or NEWPO) you need to show how you will deal with all of that! Focus your Effective Value Proposition on their situation to persuade them you are the most capable guide (or agent or Trusted Advisor) to get them safely to their final destination! Each concern, issue, or problem must be dealt with professionally and effectively. Your expertise must give them confidence that you are the **ONLY** guide they want!

KEY TAKEAWAY

One of the top listing agents in the world, Jordan Cohen at REMAX, ALWAYS goes through his entire listing presentation for the seller even if he already knows he will be hired. The reason: your client presentation is not only designed to get the information you need to build the bridge to your solutions, but also to build trust and confidence in your client. Then, when you get to talking about your compensation and your process, they will easily say yes because of the foundation you have already built.



We use our knowledge, experience, and skills to give you an exceptional "House" outcome!



OUR CLIENT BENEFITS:

- Trusted Advisor approach to provide **superior advice**
- Thorough market analysis to identify your competition and your **advantages**
- **Superior marketing** to attract buyers, influence first impressions and get offers
- Advanced negotiation planning and skills to ensure **the best outcome**
- Legal documents review to ensure your understanding, comfort, and **protection**
- Team and transaction coordinator to manage milestones for **on time closing**
- Network of providers who can **respond quickly to your needs**
- Detailed home analysis to **set your home apart**



Schedule a "House Call" now to get the best possible outcome!

Hillary (Houston) House
OWNER, REALTOR



"Hillary gave us the best home selling experience possible! He is professional, knowledgeable, and the best agent you can find!"

- Sam and Sally Herbster

"Without a doubt, the best home selling experience in 12 home sales over 18 years. Hillary is amazing!"

- Maggie Lynch

"What an incredible experience! My wife and I were thrilled with Hillary's service, expertise, and genuine caring. We will use him and his team again in the future."

- Jeffrey Parent



713.123.4321
H.House@HHHouse.com

The Houston House Team has ranked in the top 1% of all agents in the Houston Area for the last 15 years!

BUYER AGENT ROLES

Wonder what a Buyer Agent really does?

Many professionals make it look so easy! But being a master takes a lot of practice and hard work!

As your Buyer Agent I take on many different roles to ensure your dream is realized.

Let my experience help you to experience the best home buying experience ever!

Buyer Agent Roles	Description
Advisor/Guide/ Consultant/ Therapist/Counselor	Provides expert advice, recommendations, and counseling for optimum results
Teacher/Coach	Teaches, educates, instructs, and prepares client for success
Detective/Investigator/ Researcher	Uncovers all relevant information for informed and effective decision making
Resource Source	Identifies and recommends all necessary resources needed by client during home purchase
Project Manager/ Planner/ Scheduler	Identifies, tracks, and manages all milestones and deadlines to achieve a successful on time closing
Advocate/Champion/ Supporter/Cheerleader	Represents, favors, and supports client in all phases of real estate transaction
Negotiator/Persuader/ Influencer	Plans, strategizes, prepares, and executes all negotiations and persuasion opportunities to help client achieve an exceptional outcome
Interpreter	Translates and explains real estate phrases, language, abbreviations, and rules along with seller actions and/or interactions
Preacher/ Miracle Worker	Ensures client stays on right path leading to success and occasional miracles
Referee/Mediator	Help resolve misunderstandings, disagreements, and/or moments of negative behavior
Transportation Coordinator	Arranges transportation for home showings and other activities

**BUILDING
TRUST WITH
YOUR BUYER**

QUICKLY



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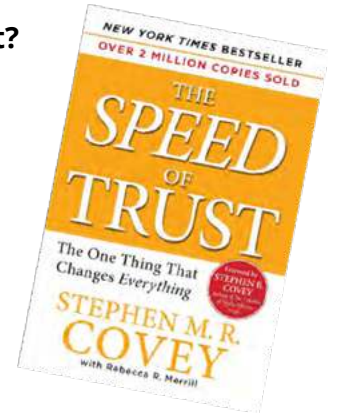
REAL ESTATE NEGOTIATION INSTITUTE

BUILDING TRUST WITH YOUR BUYER QUICKLY

Have you ever lost trust in someone or had trouble gaining trust?

In either case, significant relationship issues are created without trust. In real estate, it is critical to build trust with our clients as well as with other agents. Mastering this skill will lead to faster and greater success in real estate.

Stephen M. R. Covey wrote the book “The Speed of Trust: The One Thing That Changes Everything”. In his book, he summarizes the benefits of trust-based versus non-trust-based relationships. The data shows, without a doubt, **trust-based relationships get better results – faster!**



In many career fields you have years to build trust with others.

Not true in real estate.

In a normal real estate transaction, we must start building trust in our initial marketing. Then from the moment we talk or meet with our client we must focus on building trust quickly. This can be the most important factor in our client's decision to hire or work with us.

Using Covey's book as your guide, you can build trust by:

- ✓ Always being a person of integrity and “walking your talk”
- ✓ Showing genuine caring - for your client and others
- ✓ Proving true competence through the use of skills
- ✓ Showing past results to predict future results in similar conditions

From the first time you have contact with a potential client, you must always demonstrate integrity.

If you are a REALTOR®, you should follow NAR's Code of Ethics. Never lie or be dishonest. Always do what you say you will do. If you can't do what you committed to do, always let the other party know why. If you make a mistake, own it!

Communicate to your buyer you truly care about helping them. This is the “why” for many agents. Spend time understanding your buyer's situation, especially their motivation and reasons for wanting to buy a home.

- Identify the bigger goal or dream and convince them you are there to help them realize their dreams.
- Ask how everyone in the family feels about the situation.
- If someone has any doubts or concerns, do what you can to reduce or eliminate them.

Trust is built on character and competence.

You can trust someone based on their character but not trust them based on their competence. For example, you can have high regard for someone's character, but not trust them to perform surgery on you due to a lack of training!

Similarly, you can trust someone based on their competence, but not trust them based on their character. For example, you may be highly impressed with the credentials of a Certified Financial Planner, but if you doubt their character, you might fear being taken advantage of.

In real estate, your clients need to understand your capabilities and skills acquired through training and experience. What makes you different from and better than other agents?

- As a trained buyer's agent expert, discuss with them that you use a structured and disciplined approach to represent them fully in order to achieve their goals."
- Explain how you evaluate their needs and wants to ensure they are being heard and proper actions are taken to guide them through the process.
- Show them your CBAE designation and let them know you have extensive training in protecting their best interest.

If possible, share with them how you have helped other clients in similar situations.

Past performance can be a predictor of future performance. (Professional athletes are paid A LOT of money based on past performance!) Any time you can show excellent past results, your potential clients can assume you will get them similar results. In telling stories about your past performance, keep the story short (2-3 minutes) and relate the story's outcome to your client's situation.



Here is a short example of how you can build trust quickly with a buyer during the initial part of your Buyer Presentation.

Craig has been a very successful Buyer's Agent for many years. During this time his compensation was always paid by the Listing Broker. Recently his MLS made a major change that allows the seller and/or listing broker to offer no cooperative compensation.

Craig has new buyer clients, Sally and Kirk. A former client of Craig's referred them to Craig, and they are very interested in hiring him as their buyer's agent. They are looking for a bigger home to meet the needs of their growing family. They have 2 daughters ages 8 and 14 along with a son who is 16. Craig is meeting with them for the first time.

When Craig received the call from Kirk, he thanked him for giving him the **opportunity to interview for the job** of being their agent. Craig **never assumes** he is hired until after going through his **Buyer Presentation and getting the Buyer Representation Agreement signed**. He knows from experience the importance of going through his entire Buyer Presentation. This is key as it allows him to 1) **build trust** and, 2) effectively deliver his **Effective Value Proposition**. Both of these activities are critical to getting hired as well as negotiating his compensation directly from the buyer.

Craig arrives on time for his interview with Kirk and Sally at their home. He strives to make a positive first impression by smiling, being polite and respectful, and focusing on his potential clients. He takes the **role of a trusted guide or advisor**. He starts with the **spotlight on Kirk and Sally**, and he keeps the spotlight on them. It is **all about his clients!** He remembers to do several things as he interacts with them to gather information: 1) use **active listening skills**, 2) seek first to **understand** *their needs, expectations, wants, priorities, and desired outcomes*, 3) **make them feel important**, and 4) be a **person of integrity**.

Kirk and Sally are experienced home buyers. After some brief chatting, and, somewhat to Craig's surprise, they say "You come highly recommended. We've talked to some other buyer's agents and our first question for you is "What do you do differently vs. other buyer's agents?"

Craig is thrilled! This is what he thrives on – **being different in a better way!** He has learned this applies to most successful professionals and is one of the secrets to success. You can't succeed in a big way by trying to be like someone else. You have to be yourself!

Craig begins to build his uniqueness this way:

- *"**Thanks again** for giving me this opportunity to interview! I am excited to see how I can **help you realize your dream!**"*
- *To answer your question about what I do differently from other agents, I'll start with what you will likely hear from all agents. In general we are all taught to say we will:*
 - *Understand your "needs"*
 - *Put you in contact with a mortgage lender if you need one*
 - *Show you homes*
 - *Help negotiate the purchase contract*
 - *Help you get to closing on your home*
- *That's the generic version! Here is what I do **differently**, and you won't hear this from other agents:*
- ***(Client First!)** First off, my approach is centered around **YOU**. As far as I'm concerned, it's **ALL** about **YOU!** And that includes **your family** and any **other decision-makers**.*
- *(Trust) I have learned from experience that **trust-based relationships** get the best results. I will work hard to **earn your trust**. I will always tell you the truth. Even if it may not be what you want to hear. I **value our relationship** too much to ever mislead you.*

- **(NAR Code of Ethics)** Related to my focus on trust is my commitment to our industry Code of Ethics. The National Association of REALTORS® has a Code of Ethics which is our highest standard of professional behavior. I abide by it and hold myself accountable to it. Accordingly, I will be sharing various documents with you and asking you to sign them so that I am following our code.
- **(Two-Way Education)** I don't just try to understand **your "needs"**. I focus not only on **your needs, but also your wants, your expectations, your priorities, and your desired outcomes**. These are all important and must be dealt with. This is part of my **two-way education process** – I will educate you about today's **home buying process** and you will educate me about **your situation** and the final **outcome** you want to achieve.
- **(Market Strategy)** Some agents might talk about the market and show you the standard CMA (Comparative Market Analysis). My CMA is a more **in-depth analysis** and helps us develop an effective strategy for purchasing the home of your dreams.
- **(Home Showing Process)** My home showing process is unique as well. It ensures the same evaluation of all the homes you see so you will be confident in the choice you make.
- **(Negotiation Approach)** Most agents don't talk at all about negotiating for you, or they make only superficial statements! This is the skill I have invested the most in because it is the **most important skill** in real estate. I use a structured, disciplined approach to negotiating with your money, taught by the #1 negotiation training company in real estate (Real Estate Negotiation Institute). Less than 3% of all agents have graduated from this Certified Negotiation Expert (CNE) training.
- **(Presenting Your Offers)** One thing I definitely believe in, and it's hardly ever mentioned by agents, is how I **present your offer** or counteroffer to the seller. My training has helped me understand the best way to **represent** my clients is **in-person** with the seller and listing agent. I will do everything possible to do this for you. If I can't meet in-person, then I will try to present your offer live via Zoom to the seller and listing agent. If that isn't possible, I will **record myself** and send the video presentation as part of your offer to the seller. In addition to the presentation method, I will always attach a **cover letter** to your offer to **educate in writing**. Most agents simply send the purchase contract with no proactive attempt to educate the other party about the high quality of the buyer's qualifications. That is simply unacceptable to me and I'm sure to you.
- **(Optional Buyer Tiered Professional Service Standards Program)** For my clients I offer a **Tiered Professional Service Standards Program** consisting of various programs that may be of interest to you. This includes a resale program, a handyperson for a day, a network of various providers, and other programs. My goal is for this home buying experience to be the **best real estate experience** you ever have!
- **(Long-Term Professional Relationship Standards)** Lastly, my desire is to create a lasting professional relationship with you. I will do my best to become your preferred agent and I will be happy to serve your family, friends, or anyone you refer to me. They will all get the same treatment.

*That basically summarizes how I am different. I know this is an **important time for you and your family**, and I would very much like to **help you in** every way possible. I can provide specific details on any of these areas or answer any questions or concerns if you have some now."*

If your buyers have specific questions, especially about your compensation, it is best to take them through your entire Buyer Presentation. Going through your entire presentation accomplishes 2 goals:

1. You continue to build trust with your client.
2. You share your Effective Value Proposition which should increase their desire to work with you.

Building trust and sharing your real value should make compensation negotiations easier. You may need to have several compensation options for your buyer just as listing agents have for sellers.

In summary, here are ways to build trust quickly with your buyer:

- Always demonstrate complete integrity.
- Keep your focus on your client! (It's all about them!)
- Communicate your intent to help your client achieve their dreams.
- Ensure your clients understand your capabilities and skills that lead to a better outcome.
- Strive to show your buyer you:
 - *are likeable*
 - *listen to them*
 - *make them feel important*
 - *understand them*
 - *are trustworthy*



» **(Look for our "Certified Buyer Agent Expert (CBAE)" and our "Certified Negotiation Expert (CNE)" designation courses for more details on building a highly successful career and competitive advantage!)**

MANAGING EMOTIONS DURING THE HOME BUYING PROCESS



Buying a home is one of life's most stressful experiences!

Your "Value" as a real estate agent is not in just what you "do" for your client (i.e. your service features or activities). Very importantly, your value includes "influencing how your client feels." How does a home buyer feel at the beginning of the home buying process, during the process, and at the end of the process? How can you influence their emotions or feelings?

Here are some Basic or Primary Emotions to focus on:

- **Sadness:** grief, regret, hurt, rejection, discouragement, depression
- **Anger:** rage, irritation, frustration, insulted, bitterness, jealous, offended, provoked
- **Joy:** happiness, elation, pleasure, triumph, satisfaction, contentment, pride, success
- **Fear:** terror, caution, apprehension, concern, worry, anxiety, stressed, nervous
- **Surprise:** amazement, wonder, awe, shock, speechlessness, disbelief
- **Trust:** safety, vulnerability, hopeful, confidence, supported, comfortable, relaxed

At the beginning of the process a Buyer will likely:

- want to feel Joy: excited, positive, anticipation, hopeful
- want to trust the agent and process: Trust: safety, hopeful, confident, supported, relaxed, comfortable
- want to not be afraid: anxious, insecure, cautious, worried, nervous, stressed

During the home buying process a buyer will at some point feel all of these emotions:

- Joy: excited, positive, anticipation, hopeful
- Trust: safety, hopeful, confident, supported, relaxed, comfortable
- Fear: anxious, insecure, cautious, worried, nervous, stressed
- Anger: resentment, frustration, insulted, offended

- Sadness: regret, hurt, rejection, discouragement
- Surprise: disbelief, amazement, shock

At the end of a successful home buying process a Buyer should:

- feel Joy: excited, positive, anticipation, hopeful
- experience Trust: safety, hopeful, confident, supported, relaxed, comfortable
- have no/minimal Fear: anxious, insecure, cautious, worried, nervous, stressed
- not have Anger: resentment, frustration, insulted, offended
- not feel Sadness: regret, hurt, rejection, discouragement
- have no Surprise: disbelief, amazement, shock

At End of an unsuccessful home buying process a Buyer will:

- rarely feel Joy: excited, positive, anticipation, hopeful
- not experience Trust: safety, hopeful, confident, supported, relaxed, comfortable
- likely be Afraid: anxious, insecure, cautious, worried, nervous, stressed
- likely have Anger: resentment, frustration, insulted, offended
- likely feel Sadness: regret, hurt, rejection, discouragement
- likely feel Surprise: disbelief, amazement, shock

A Buyer Agent must “influence” the Buyer’s emotions at the beginning, during, and at the end of the process. This contributes greatly to the overall Buyer experience.

HOW CAN A BUYER AGENT INFLUENCE THE BUYER’S EMOTIONS?

At the beginning of the home buying process the Buyer Agent should:

- help buyer feel Joy: Help client feel hopeful, excited, positive
- build Trust: help client feel confident, supported, comfortable
- identify and help manage Fear: identify and address causes of fear

During the home buying process the Buyer Agent should:

- help buyer feel Joy: hopeful, excited, positive
- build Trust: help client feel confident, supported, comfortable
- identify and address causes of Fear: apprehension, concern, worry, anxiety
- identify and address causes of Anger: frustration, insulted, bitterness, jealous, offended
- identify and address causes of Surprise: wonder, awe, shock, speechlessness

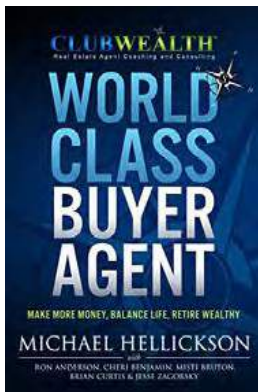
At the end of the home buying process the Buyer Agent should:

- help client feel Joy: proud, happy, elated, satisfied, pleased
- help client get over any Anger: identify and address causes of anger
- help client eliminate Fear: identify and address causes of fear
- ensure client is not Sad: identify and address causes of sadness
- help client get over any Surprise: identify and address negative causes of surprise

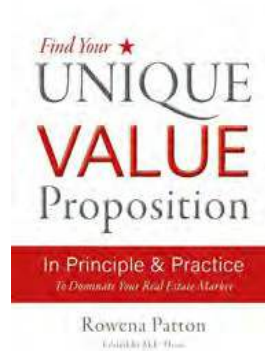
BUYER RISK MITIGATION

Service Feature	Potential Risk Mitigated
Trusted Advisor Approach	Inadequate assessment of options leading to poorer results
Detailed Buyer Discovery Process	Insufficient understanding of client needs resulting in lower client satisfaction
ACCE Negotiation Methodology	Unprofessional negotiation approach leading to poorer results
Professional Presentation of Buyer Qualifications to Listing Agent & Seller	Buyer not positioned favorably vs. competition
Buyer Tiered Professional Service Standards Programs	A poor overall experience for Buyer
Home Evaluation and Rating Process	Buyer selecting a home with issues or that doesn't meet most important needs
Client Satisfaction Guarantee	An average or poor overall experience
Long-Term Professional Relationship Standards	Buyer treated as a "one and done" client vs. a valuable lifetime client
Home Buyer Education Process	Buyer being unpleasantly surprised due to lack of understanding home buying process
Buyer Complete Financial Analysis	Buyer failing to understand financial requirements for best mortgage loan
Thorough Market Analysis & Strategy	Failing to properly evaluate market and identifying all options for best outcome for Buyer
Legal Documents Review	Misunderstandings in executing legal documents creating potential legal issues
Collaborative Network of Experts	Less than optimal results due to lack of collaborative communications among key service providers (e.g., agent, mortgage lender, and home inspector)
Transaction Management Coordinator	Delayed or cancelled closing due to missed milestones and deadlines
Buyer Preferred Technology Options	More difficult or unsatisfactory Buyer communications

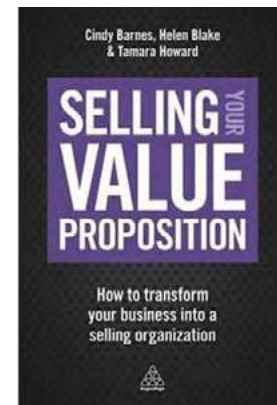
CBAE RECOMMENDED READING



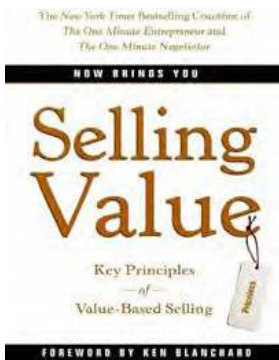
World Class Buyer Agent
by Michael Hellickson



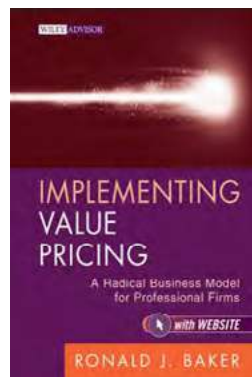
Find Your Unique Value Proposition
by Rowena Patton



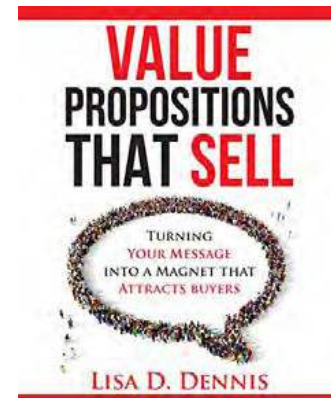
Selling Your Value Proposition
by Cindy Barnes, Helen Blake & Tamara Howard



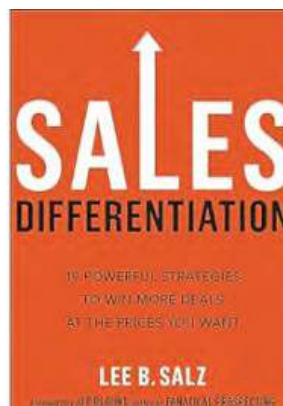
Selling Value
by Don Hutson



Implementing Value Pricing
by Ronald Baker



Value Propositions That Sell
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Sales Differentiation
by Lee Salz