

LEVERAGING YOUR POWER WITH REALTORS



34 Dresden Road

THE ULTIMATE GUIDE TO SMART
NEGOTIATING WITH REALTORS IN
ONTARIO'S REAL ESTATE MARKET



Welcome!

This is a comprehensive guide to navigating the complex and often challenging world of real estate negotiations. Our aim is to empower you with valuable knowledge, effective strategies, and practical tips for a successful experience when dealing with realtors. Whether you are a first-time homebuyer, experienced homeowner, or seasoned investor, this e-guide will provide valuable tools and insights that will help you master the art of negotiation.

Welcome aboard!



Introduction

With over 95,000 realtors in Ontario and just under 90,000 MLS home sales in 2022, there are now more realtors than transactions in 2023's slower market. As a potential home buyer or seller in Ontario, you have all the leverage in deciding which realtor you want to work with. Learning how to use that leverage is what this E-guide is about, protecting your finances and prioritizing your best interest.

Many realtors offer free guides on selling and buying homes, including first-time and move-up buyers and pre-construction. However, there's a lack of information and resources on choosing and working with realtors, understanding their services, reasonable commission rates, contract lengths, and other industry insights unknown to the public.

With majority of realtors not addressing this topic, it's evident why—it's not in their best interest. By purchasing this guide, you'll gain valuable home buying and selling knowledge, boosting your confidence in choosing a realtor and negotiating with them.

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***Appendices, links, and forms referred to in this guide will be provided at the end of the E-guide.**

01: NAVIGATING CONTRACTS



In the real estate industry, signing contracts is standard practice. Structuring and agreeing to terms is crucial when selecting a realtor for buying or selling property. Realtors prefer lengthier contracts, as it buys them more time for transactions. However, such contracts can reduce their motivation to work proactively and persistently for clients.



SO... WHATS THE SOLUTION?

Additionally, prolonged transactions can cause frustration for homeowners or buyers, possibly leading them to make concessions. Terminating long contracts isn't impossible, but it often involves difficult conversations that many people prefer to avoid—instead, choosing to wait until the contract expires. Consider limiting buyer representation and listing agreement contracts to 30-45 days

As a seller, the realtor will show you the average time required to sell a home in your area (days on the market). Your listing agreement's duration should be around the average days on the market, plus an extra week or two. This is typically under 30 days for well-priced properties in Greater Toronto and nearby cities.



Shorter contracts resolve issues associated with longer ones, making it easier to reevaluate the partnership without feeling trapped or needing an awkward conversation. A brief contract ensures your realtor prioritizes you and works diligently to find a buyer. These contracts expire faster, allowing you to objectively assess if the working relationship is worthwhile when reviewing your realtor's performance.

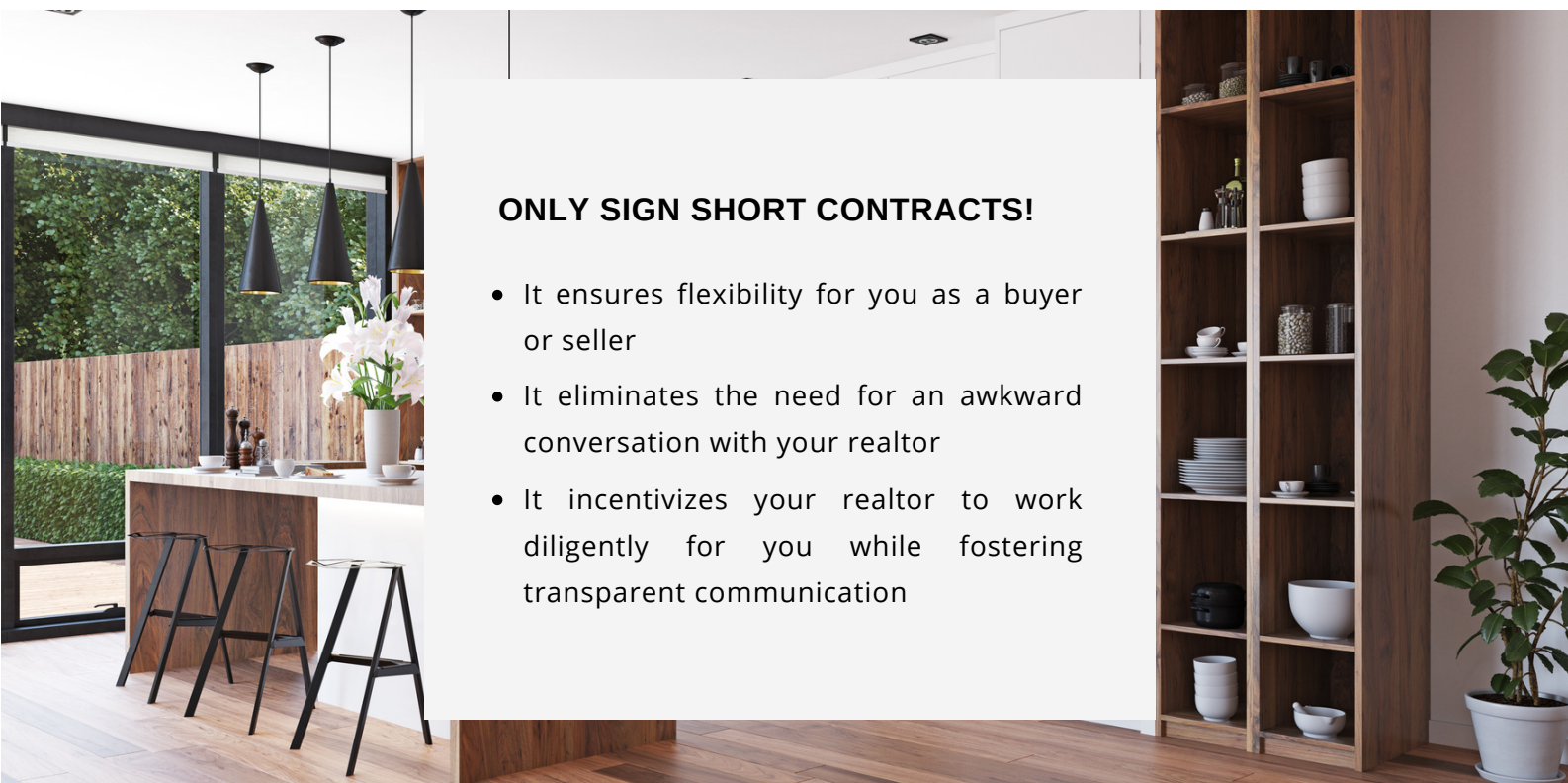
The Toronto Regional Real Estate Board mandates a minimum 60-day listing period for properties on Realtor.ca and the Multiple Listing System (MLS). To navigate this requirement, incorporate a "service review" clause within Schedule "A" of the Listing Agreement - Seller Representation Agreement Authority to Offer for Sale. This clause indicates that on the 30th day, the owner/seller will evaluate the provided services and may terminate the contract for any reason. If not waived by the owner/seller by the 35th day, the contract will be automatically annulled. The example of such a clause is presented below. Always consult your lawyer for professional legal advice before entering any legal agreements.

As a buyer, the same applies to signing a buyer representation agreement. Finding the perfect home can be a lengthy process, and it's rare to settle on the first one you see. As the home purchasing process is a business for real estate agents, they tend to prioritize more active clients, which may result in less attention to your home buying process.



You may experience ups and downs in your search, and communication can falter. It's important to note, especially in this situation, that it is your realtor's due diligence to maintain contact and prioritize follow-ups after signing a buyer representation agreement. If you breach this contract by using another agent, you may still owe commission fees. Renewing the agreement is effortless if you're satisfied with the service, but addressing a lack of priority for your needs as a client can become an awkward conversation with your realtor.

IN SUMMARY...



ONLY SIGN SHORT CONTRACTS!

- It ensures flexibility for you as a buyer or seller
- It eliminates the need for an awkward conversation with your realtor
- It incentivizes your realtor to work diligently for you while fostering transparent communication

In the appendix, we have presented user-friendly OREA forms that clearly outline both buyer representation and seller listing agreements for your convenience.

Schedule A

Listing Agreement

Authority to Offer for Sale

This Schedule is attached to and forms part of the Listing Agreement Authority to Offer for Sale (Agreement) between:

BROKERAGE:, and

SELLER: for

the property known as

..... dated the day of, 20.....

Service review clause - Example

On the 30th day of this listing agreement - seller representation agreement authority to offer for sale a review of the listing brokerage and their sales representative's service will begin by the owner/seller. This condition of review gives the seller/owner the sole and absolute discretion to terminate this listing agreement for any reason they decide. Unless the owner/seller gives notice in writing delivered to the listing brokerage or their representative personally or in accordance with any other provisions for the delivery of notice in this agreement or any schedule thereto not later than the end of the 35th day of this agreement that this service review condition is waived. The listing agreement will be canceled in full, and a mutual release will be provided to the seller/owner within 24 hours of the listing brokerage or their sales representative receiving notice that this condition will not be waived. This condition is included for the benefit of the owner/seller and may be waived at the owner/seller's sole option by notice in writing to the listing brokerage or their representative at any time prior to the end of the 35th day of this agreement.

Holdover family & friends exclusion clause - Example

The seller/owner reserves the right to sell the property privately to friends or family at any time during or after a listing agreement - seller representation agreement authority to offer for sale. If the property is sold privately to friends or family, no commission will be paid by the seller/owner to the listing brokerage as stated in the listing agreement - seller representation agreement authority to offer for sale. This condition is included for the benefit of the owner/seller and may be waived at the owner/seller's sole option by notice in writing to the listing brokerage and their representative.

Media services clause - Example

Professional photography, videography, and 3D Matterport scan will be provided from a reputable media services provider agreed upon by both the seller/owner and (the realtor's name). These services will be paid for at the realtor's expense as part of this listing agreement - seller representation agreement authority to offer for sale.

Multiple representation clause - Example

In the event the listing brokerage's sales representative/broker (the realtor's name) represents the buyer in a customer service or buyer representation agreement, the commission paid to the listing brokerage will be reduced to a total commission of (% - amount agreed upon between the realtor and seller/owner).

This form must be initialled by all parties to the Agreement.

INITIALS OF BROKERAGE:



INITIALS OF SELLER(S):



**Always consult your lawyer for professional legal advice before entering any legal agreements.*

These clauses are for example purposes only. Please consult your legal professional for exact and proper verbiage.



03: ESSENTIAL MARKETING SERVICES THAT SHOULD BE OFFERED

Mastering marketing is crucial for your realtor as it's one of the four key competencies they must excel in. To effectively sell your property, they must harness the capabilities of today's technology to reach the widest audience of potential buyers. With over 90% of purchases beginning with online searches, ensure your realtor's marketing services align with this trend. Don't hesitate to inquire about the following marketing strategies during discussions with your realtor.

01

PROFESSIONAL PHOTOGRAPHY AND VIDEOGRAPHY

The property's visual presentation creates a virtual first impression. With numerous skilled real estate photographers in Ontario and the Greater Toronto Area, ensure your realtor hires a professional. Videography, a newer marketing tool, captivates viewers and garners attention on social media. As a seller, you desire optimal exposure to attract top buyers, and that begins with expert media services.

02

INTERACTIVE 3D VIRTUAL TOURS:

This interactive approach enables them to explore the interior and decide if an in-person visit is worthwhile. High-intent buyers are drawn to 3D tours, allowing them to get a better feel for the property before confirming their expectations face-to-face. Matterport leads the industry in 3D tour equipment and photography. Be sure to inquire about this service in the media packages of realtors you interview.

03

SOCIAL MEDIA MARKETING

To maximize exposure, it's essential to utilize different platforms in marketing and advertising your property. Your realtor will enlist your home on realtor.ca and should also offer a complimentary social media marketing strategy. A simple ad campaign on major social networks will increase the property's visibility among potential buyers. A modest daily budget for the first two weeks ensures optimal exposure for your new listing. An extensive social media marketing campaign isn't necessary; instead, a well-presented property with high-quality media and strategic placement will yield the desired results.

04

STAGING & DECLUTTERING

Quantifying the impact of staging can be tricky, but it undoubtedly makes a home more visually appealing than an unstaged one. However, not every home requires staging - for instance, a 1970s inherited property might not benefit from it. Instead, all homes should begin with a thorough cleaning and decluttering. From there, you can determine if staging would add value. Your realtor should offer a staging and decluttering plan, ranging from a simple consultation with a stager to full-service professional staging. It's a good idea for the realtor to cover this cost, as it may be discounted if their services are used later.

05

OPEN HOUSES

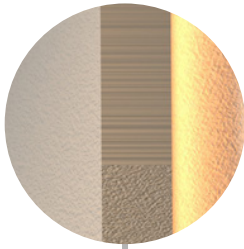
Open houses tend to draw casual neighbors and visitors with minimal buying intent. As a marketing tool, it's not the most relevant option. To optimize this strategy, focus on weekend open houses. Schedule showings only during open house hours, like Saturdays 2-4 PM and Sundays 1-3 PM, or stick to the usual 2-4 PM for both days.

The following chart provides an overview of the approximate costs associated with various media services commonly utilized by real estate professionals. The chart breaks down the pricing structure by individual service, such as professional photography, videography, voiceover, and virtual tours. The reported costs represent industry averages and may vary based on factors like location, package offerings, and service providers' individual pricing strategies.

Media Services
Approximate Cost to Realtor

| Service | Under: | 1000 SqFt | 1000 to 1500 SqFt | 1500 to 2000 SqFt | 2000 to 3000 SqFt | 3000 to 4500 SqFt |
|--------------------------------|--------|-----------|-------------------|-------------------|-------------------|-------------------|
| Photography | | \$100 | \$109 | \$119 | \$129 | \$139 |
| Cinematic Video | | \$149 | \$189 | \$229 | \$269 | \$309 |
| 3D Matterport | | \$135 | \$170 | \$205 | \$240 | \$275 |
| Drone Photo & Video | | \$249 | \$249 | \$249 | \$249 | \$249 |
| Twilight Photos | | \$199 | \$199 | \$199 | \$199 | \$199 |
| Floor Plans with Matterport | | \$45 | \$45 | \$45 | \$45 | \$45 |
| Floor Plans without Matterport | | \$109 | \$129 | \$149 | \$169 | \$199 |
| Voiceover | | \$199 | \$199 | \$199 | \$199 | \$199 |

BUYER'S ROAD MAP



IF YOU NEED A NEW MORTGAGE OR AN ADDITIONAL MORTGAGE, DISCUSS IT WITH YOUR LENDER FOR PRE-APPROVAL AND GET CLARITY ON YOUR BUDGET.



REACH OUT TO A TRUSTED LAWYER

Either by searching online, seeking a friend's recommendation, or contacting one you've worked with before. Explain your situation and objectives with them before consulting a realtor, as lawyers handle the bulk of the work in real estate transactions.



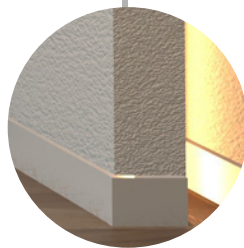
BROWSE THE INTERNET AND DO YOUR OWN RESEARCH TO SEE THE MARKET PRICES

Search for homes in your area that have been sold or are presently for sale. Utilize our "fundamental comparables guide" for support in your research.



FIND THE TOP THREE REALTORS YOU'RE MOST COMPELLED TO WORK WITH

Reach out to them. Inform them that you're in the process of interviewing realtors. Use the guide to outline your desired terms and services.



CHOOSE THE REALTOR YOU FEEL MOST COMFORTABLE WITH AND WHO YOU BELIEVE WILL DELIVER THE BEST RESULTS FOR YOUR SITUATION.

SELLER'S ROAD MAP



DETERMINE YOUR DESIRED LOCATION, WHAT IT WOULD LOOK LIKE, AND EVALUATE THE EXPENSES



IF YOU HAVE A MORTGAGE, CHAT WITH YOUR LENDER TO DISCUSS ANY FEES TIED TO BREAKING OR PORTING IT.



REACH OUT TO A TRUSTED LAWYER

Either by searching online, seeking a friend's recommendation, or contacting one you've worked with before. Explain your situation and objectives with them before consulting a realtor, as lawyers handle the bulk of the work in real estate transactions.



BEGIN THE PROCESS OF DECLUTTERING

Eliminating items that have accumulated over time but are no longer necessary, and conduct a thorough cleaning.



BROWSE THE INTERNET AND DO YOUR OWN RESEARCH TO SEE THE MARKET PRICES

Search for homes in your area that have been sold or are presently for sale. Utilize our "fundamental comparables guide" for support in your research.

SELLER'S ROAD MAP



FIND THE TOP THREE REALTORS YOU'RE MOST COMPELLED TO WORK WITH

Reach out to them. Inform them that you're in the process of interviewing realtors. Use the guide to outline your desired terms and services, and then allow them to present their assessment of your property's value.



CHOOSE A REALTOR

Choose the realtor you feel most comfortable with and who you believe will deliver the best results for your situation.

