

# The Critical Role of a Realtor® in the Real Estate Transaction



## 230 Tasks ...How I Plan to Sell Your Home

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## The Critical Role of the Realtor® in the Real Estate Transaction

Surveys show that many homeowners and homebuyers are not aware of the true value a REALTOR® provides during the course of a real estate transaction. At the same time, regrettably, REALTORS® have generally assumed that the expertise, professional knowledge and just plain hard work that go into bringing about a successful transaction were understood and appreciated.

Many of the most important services and steps are performed behind the scenes by either the REALTOR® or the brokerage staff and traditionally have been viewed simply as part of their professional responsibilities to the client. But, without them, the transaction could be placed in jeopardy. This publication seeks to close that gap. Listed on the following pages are nearly 200 typical actions, research steps, processes and review stages necessary for a successful residential real estate transaction and normally provided by a **full service** real estate brokerage and for which they are entitled to fair compensation.

### Comprehensiveness

The list is by no means an attempt to set forth a complete list of services as these may vary within each brokerage and each market. Many REALTORS® routinely provide a wide variety of additional services that are as varied as the nature of each transaction.

By the same token, some transactions may not require some of these steps to be equally successful. However, most would agree that given the unexpected complications that can arise, it's far better to know about a step and make an intelligent, informed decision to skip it, than to not know the possibility even existed.

### The REALTOR® Commitment

Through it all, the personal and professional commitment of the REALTOR® is to ensure that a seller and buyer are brought together in an agreement that provides each with a "win" that is fair and equitable. The motivation is easy to understand. For most full-service brokerages, they receive no compensation unless and until the sale closes.

By contrast, there are firms that offer "limited services" in exchange for an up-front flat fee, or perhaps offer a menu of pay-as-you-go or "a la' carte" options. Some even offer a sliding scale ranging from limited to full service. In these cases, the compensation of the REALTOR® is based on these reduced service levels with the seller bearing full responsibility for all the other steps and procedures in the selling process. In short, the marketplace truism is that "you get what you pay for."

## A Variety of Choices

The variety of brokerage business models in today's real estate industry affords the homeowner a greater range of options than ever before. But no matter which option is chosen, before signing a Listing Agreement or otherwise engaging the services of a REALTOR® and agreeing to compensate them, homeowners should understand exactly what services will, or will not, be provided.

## Why Use A REALTOR®?

Not every real estate agent or broker is a REALTOR®. That term and the familiar Block "R" logo are trademarked by the National Association of REALTORS® and can only be used by those are REALTOR® members through their local association of REALTORS®. While all REALTORS® are state-issued licensees as agents or brokers, the major difference between a "real estate licensee" and a REALTOR® is that REALTORS® have taken an oath to subscribe to a stringent, enforceable Code of Ethics with Standards of Practice that promote the fair, ethical and honest treatment of all parties in a transaction. Non-member licensees have taken no such oath and are not morally bound to the ethical practices and principles set for in the REALTOR® Code. For that extra measure of peace of mind, ensure the individual seeking to represent you is both a real estate licensee and a REALTOR®. Visit the New York State Association of REALTORS® website, NYSAR.COM, for a searchable list of our REALTOR® members.

## The Critical Role of the REALTOR®

Listed here are OVER 200 typical actions, research steps, procedures, processes and review stages in a successful residential real estate transaction that are normally provided by **full service** real estate brokerages in return for their sales commission. Depending on the transaction, some may take minutes, hours, or even days to complete, while some may not be needed.

More importantly, they reflect the level of skill, knowledge and attention to detail required in today's real estate transaction, underscoring the importance of having help and guidance from someone who fully understands the process – a REALTOR®. And never forget that REALTORS® are pledged to uphold the stringent, enforceable tenets of the REALTOR® Code of Ethics in their professional dealings with the public. Not every real estate licensee holds REALTOR® membership. I am proud to be an active member.





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## Marketing Plan to Go from FOR SALE to **SOLD**

### Pre-Listing Activities

1. Make appointment with seller for listing presentation      DATE\_\_\_\_\_TIME\_\_\_\_\_
2. Send sellers a written or e-mail confirmation of listing appointment and call to confirm
3. Review pre-appointment questions
4. Research all comparable currently listed properties
5. Research sales activity for past 18 months from MLS and public records databases
6. Research "Average Days on Market" for this property of this type, price range and location
7. Download and review property tax roll information
8. Prepare "Comparable Market Analysis" (CMA) to establish fair market value
9. Obtain copy of subdivision plat/complex layout
10. Research property's ownership & deed type
11. Research property's public record information for lot size & dimensions
12. Research and verify legal description
13. Research property's land use coding and deed restrictions
14. Research property's current use and zoning
15. Verify legal names of owner(s) in county's public property records
16. Prepare listing presentation package with above materials
17. Perform exterior "Curb Appeal Assessment" of subject property
18. Compile and assemble formal file on property
19. Confirm current public schools and explain impact of schools on market value
20. Review listing appointment checklist to ensure all steps and actions have been completed

## Listing Appointment Presentation

21. Give seller an overview of current market conditions and projections
22. Review agent's and company's credentials and accomplishments in the market
23. Present Company's profile and position or "niche" in the marketplace
24. Present CMA Results To Seller, including Comparables, Solds, Current Listings & Expired
25. Offer pricing strategy based on professional judgment and interpretation of current market
26. Discuss Goals With Seller To Market Effectively
27. Explain market power and benefits of Multiple Listing Service
28. Explain market power of web marketing, IDX and REALTOR.com
29. Explain the work the brokerage and agent do "behind the scenes" and agent's availability on Weekends
30. Explain agent's role in taking calls to screen for qualified buyers and protect seller from curiosity Seekers
31. Present and discuss strategic master marketing plan
32. Explain different agency relationships and determine seller's preference
33. Review and explain all clauses in Listing Contract & Addendum and obtain seller's signature
34. Develop Time Line: \_\_\_\_\_Average Days On Market:\_\_\_\_\_
- Active Listing:\_\_\_\_\_Office Preview: \_\_\_\_\_
- Next Advertisement Date\_\_\_\_\_Realtor Inspection Dates:\_\_\_\_\_
- Open House Dates:\_\_\_\_\_ Advertisement Dates:\_\_\_\_\_

## Once Property is Under Listing Agreement

35. Review current title information
36. Measure overall and heated square footage
37. Measure interior room sizes
38. Confirm lot size via owner's copy of certified survey, if available
39. Note any and all unrecorded property lines, agreements, and easements
40. Obtain house plans, if applicable and available
41. Review house plans and make copy

- 42.** Order plat map for retention in property's listing file
- 43.** Prepare showing instructions for buyers' agents and agree on showing time window with seller
- 44.** Obtain current mortgage loan(s) information: companies and & loan account numbers
- 45.** Verify current loan information with lender(s)
- 46.** Check assumability of loan(s) and any special requirements
- 47.** Discuss possible buyer financing alternatives and options with seller
- 48.** Review current appraisal if available
- 49.** Identify Home Owner Association managers if applicable
- 50.** Verify Home Owner Association Fees with manager - mandatory or optional and current annual fee
- 51.** Order copies of Homeowner Association bylaws, if applicable
- 52.** Research electricity availability and supplier's name and phone number
- 53.** Have Electricity Disclosure Form Signed
- 54.** Calculate average utility usage from last 12 months of bills call NYSEG or current company
- 55.** Research and verify city sewer/septic tank system
- 56.** Explain Seller responsibility to having pumped and or tested / certified
- 57.** Water System: Calculate average water fees or rates from last 12 months of bills)
- 58.** Verify if Water softener is used/ rented or owned
- 59.** Well Water: Confirm well status, depth and output from Well Report
- 60.** Natural Gas: Research/verify availability and supplier's name and phone number
- 61.** Verify security system, current term of service and whether owned or leased
- 62.** Verify if seller has transferable Termite Bond or pest contract
- 63.** Ascertain need for lead-based paint disclosure
- 64.** Prepare detailed list of property amenities and assess market impact
- 65.** Prepare detailed list of property's "Inclusions & Conveyances with Sale"
- 66.** Compile lists of completed repairs and maintenance items
- 67.** Send "Vacancy Checklist" to seller if property is vacant
- 68.** Explain benefits of Home Owner Warranty to seller
- 69.** Assist sellers with completion and submission of Home Owner Warranty Application
- 70.** When received, place Home Owner Warranty in property file for conveyance at time of sale

- 71.** Have extra key made for lockbox
- 72.** Verify if property has rental units involved. And if so:
- 73.** Make copies of all leases for retention in listing file
- 74.** Verify all rents & deposits
- 75.** Inform tenants of listing and discuss how showings will be handled
- 76.** Arrange for installation of yard sign
- 77.** Assist sellers with completion of Seller's Agency Disclosure form
- 78.** "New Listing Checklist" Completed
- 79.** Present seller with improvement book for interior and exterior.
- 80.** Review results of Curb Appeal Assessment with seller and provide suggestions to improve sale
- 81.** Review results of Interior Décor Assessment and suggest changes to shorten time on market
- 82.** Take additional photos for upload into MLS and use in flyers. Discuss efficacy of panoramic Photography
- 83.** Take pictures/ video for website of neighborhood
- 84.** Present seller with handout for open house check list
- 85.** Load listing into transaction management software program
- 86.** Prepare and send email for office agents for home/ land preview before going in to the MLS
- 87.** Arrange special time for showing property prior to other offices seeing home/ land.
- 88.** Email all agents of new listing information

### **Entering Property in Multiple Listing Service Database**

- 89.** Prepare MLS Profile Sheet -- Agents is responsible for "quality control" and accuracy of listing
- 90.** Enter property data from Profile Sheet into MLS Listing Database
- 91.** Proofread MLS database listing for accuracy - including proper placement in mapping function
- 92.** Add property to company's Active Listings list
- 93.** Provide seller with signed copies of Listing Agreement and MLS Profile Sheet Data Form/48 Hours
- 94.** Enter Listing into RealtyUSA.com / Aedelman.com
- 95.** Enter Listing into Realtor.com
- 96.** Enter Listing into Crest
- 97.** Enter Listing into Livinginithaca.com
- 98.** Create webpage for ListingDomaines.com order sign Ryder/ e-postcards



## Marketing The Listing

99. Create print and Internet ads with seller's input
100. Ithaca Journal – Real Estate Journal – Craigslist – Listing Domains.com –livinginithaca.com
101. Coordinate showings with owners, tenants, and other Realtors®. Return all calls
102. Install electronic lock box if authorized by owner. Program with agreed-upon showing time w
103. Maintain Shackle Code
104. Prepare mailing and contact list
105. Generate mail-merge letters to contact list
106. Order "Just Listed" labels & reports / Just Listed Web postcard on CBWORKS
107. Prepare flyers & feedback faxes
108. Review comparable MLS listings regularly to ensure property remains competitive in price, terms, conditions and availability
109. Prepare property marketing brochure for seller's review
110. Arrange for printing or copying of supply of marketing brochures or fliers
111. Place marketing brochures in all company agent mailboxes
112. Email all agents with new listing eflyers from cbworks
113. Call agents with new listing message
114. Inform agents of special time for showing property
115. Mail Out "Just Listed" notice to all neighborhood residents
116. Host open House for Realtor in House only.
117. Host Open House for Realtors at large.
118. Schedule Open House– IJ ads / Ithacarealtors.com/ openhouse.com
119. Create Advertisement for Open House Weekend.
120. Place Signs for Open House
121. Send Postcards for Open House
122. Send ecards from RealtyUSA to all agents and mailing list
123. Buy Supplies for Open house
124. Discuss other agents multiple open house weekend same day in area
125. Create group advertisement
126. Upload listing open house to Ithaca Board



127. Upload Open House to RealtyUSA
128. Upload Open House to Craigs List –Ithaca area
129. Advise Network Referral Program of listing
130. Provide marketing data to buyers coming through international relocation networks
131. Provide marketing data to buyers coming from referral network
132. Provide "Special Feature" cards for marketing, if applicable
133. Submit ads to company's participating Internet real estate sites
134. Price changes conveyed promptly to all Internet groups
135. Reprint/supply brochures promptly as needed
136. Loan information reviewed and updated in MLS as required
137. Feedback e-mails/faxes sent to buyers' agents after showings
138. Review weekly Market Study
139. Discuss feedback from showing agents with seller to determine changes accelerate sale
140. Place regular weekly update calls to seller to discuss marketing & pricing
141. Promptly enter price changes in MLS listing database

## The Offer and Contract

142. Receive and review all Offer to Purchase contracts submitted by buyers or buyers' agents.
143. Evaluate offer(s) and prepare a "net sheet" on each for the owner for comparison purposes
144. Counsel seller on offers. Explain merits and weakness of each component of each offer
145. Contact buyers' agents to review buyer's qualifications and discuss offer
146. Fax/deliver Seller's Disclosure to buyer's agent or buyer upon request and prior to offer if possible
147. Confirm buyer is pre-qualified by calling Loan Officer or have pre approval letter
148. Obtain pre-qualification letter on buyer from Loan Officer
149. Negotiate all offers on seller's behalf, setting time limit for loan approval and closing date
150. Prepare and convey any counteroffers, acceptance or amendments to buyer's agent
151. Fax copies of contract and all addendums to closing attorney or title company
152. When Offer to Purchase Contract is accepted and signed by seller, deliver to buyer's agent
153. Record and promptly deposit buyer's earnest money in escrow account.
154. Disseminate "Under-Contract Showing Restrictions" as seller requests
155. Deliver copies of fully signed Offer to Purchase contract to seller
156. Fax/deliver copies of Offer to Purchase contract to Selling Agent

- 157.** Fax copies of Offer to Purchase contract to lender
- 158.** Provide copies of signed Offer to Purchase contract for office file
- 159.** Advise seller in handling additional offers to purchase submitted between contract and closing
- 160.** Change status in MLS to "Sale Pending"
- 161.** Update transaction management program to show "Sale Pending" Fill out data Sheet
- 162.** Review buyer's credit report results -- Advise seller of worst and best case scenarios
- 163.** Provide credit report information to seller if property will be seller-financed
- 164.** Assist buyer with obtaining financing, if applicable and follow-up as necessary
- 165.** Coordinate with lender on Discount Points being locked in with dates
- 166.** Deliver unrecorded property information to buyer
- 167.** Order septic system inspection, if applicable
- 168.** Receive and review septic system report and assess any possible impact on sale
- 169.** Deliver copy of septic system inspection report lender & buyer
- 170.** Deliver Well Flow Test Report copies to lender & buyer and property listing file
- 171.** Verify termite or pest inspection ordered
- 172.** Verify mold inspection ordered, if required
- 173.** Verify other inspections

## Tracking the Loan Process

- 174.** Confirm Verifications Of Deposit & Buyer's Employment Have Been Returned
- 175.** Follow Loan Processing Through To The Underwriter
- 176.** Add lender/ other vendors to transaction management program tracking Progress of sale
- 177.** Contact lender weekly to ensure processing is on track
- 178.** Relay final approval of buyer's loan application to seller

## Home Inspection

- 179.** Coordinate buyer's professional home inspection with seller

This is an evaluation of the property to find out if there are any problems with it that could potentially change its value to the buyer. The inspection also helps to decide if there are any items that the buyer would like to have repaired before the final contract is signed. The inspector will do a full examination of the house inside and out and will give a detailed report that will indicate if any problems have been found.

- General condition of the property
- Electrical system
- Heating and cooling systems
- Exterior structure, water damage, roof, chimney, garage doors
- Water System / Well –water flow, rate. Water Quality tested separate
- Interior structure, insulation, foundation, windows, and doors
- Pest control –termite inspection
- Risk of earthquakes
- Risk of landslides

## Review home inspector's report

- 180.** Enter completion into transaction management tracking software program
- 181.** Explain seller's responsibilities with respect to loan limits and interpret any clauses in the contract
- 182.** Ensure seller's compliance with Home Inspection Clause requirements
- 183.** Recommend seller identify & negotiate with trustworthy contractors to perform any required repairs
- 184.** Negotiate payment and oversee completion of all required repairs on seller's behalf, if needed
- 185.** Negotiate Price reduction if necessary.
- 186.** Place under contract sign at property

## The Appraisal

- 187.** Make sure that bank has Scheduled Appraisal
- 188.** Provide comparable sales used in market pricing to Appraiser
- 189.** Follow-Up On Appraisal
- 190.** Enter completion into transaction management program
- 191.** Assist seller in questioning appraisal report if it seems too low

## Closing Preparations and Duties

- 192.** Contract Is Signed By All Parties
- 193.** Coordinate closing process with buyer's agent
- 194.** Update closing forms & files
- 195.** Ensure all parties have all forms and information needed to close the sale
- 196.** Find out location where closing will be held
- 197.** Confirm closing date & time & notify all parties
- 198.** Assist in any title problems (boundary disputes, easements, etc) or in obtaining Death Certificates
- 199.** Work with buyer's agent schedule and conduct buyer's Final Walk-Thru prior to closing
- 200.** Research all tax, HOA, utility and other applicable prorations if necessary
- 201.** Buyer and Seller to contact utility company to arrange change over
- 202.** Request final closing figures from closing agent (attorney or title company)
- 203.** Receive & carefully review closing figures to ensure accuracy of preparation
- 204.** Forward verified closing figures to buyer's agent
- 205.** Request copy of closing documents from closing agent
- 206.** Confirm buyer and buyer's agent have received title insurance commitment
- 207.** Provide "Home Owners Warranty" for availability at closing
- 208.** Review all closing documents carefully for errors
- 209.** Forward closing documents to absentee seller as requested
- 210.** Review documents with closing agent (attorney)
- 211.** Provide earnest money deposit check from escrow account to closing agent
- 212.** Coordinate this closing with seller's next purchase and resolve any timing problems
- 213.** Have a "no surprises" closing so that seller receives a net proceeds check at closing
- 214.** Refer sellers to one of the best agents at their destination, if applicable
- 215.** Change MLS status to Sold. Enter sale date, price, selling broker, agent's ID numbers, etc.
- 216.** Close out listing in transaction management

## Follow Up After Closing

217. Answer questions about filing claims with Home Owner Warranty company if requested
218. Attempt to clarify and resolve any conflicts about repairs if buyer is not satisfied
219. Respond to any follow-on calls, provide any additional information required from office files.
220. Thank you letter
221. Lowes thank you gift card
222. Lowes magazine subscription
223. Follow up program with Coldwell Banker
224. Gift at closing
225. Follow up call week later
226. Send them periodic mail pieces
227. Make Call and Visit them one month later
228. Send Holiday Cards
229. Send Postcards
230. Touch base again 6 months later/ drop mail piece