

The Critical Role of the REALTOR® in the Real Estate Transaction

Why Was This List Prepared?

Surveys show that many homeowners and house buyers 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 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 in jeopardy.

This publication seeks to close the gap.

Listed on the following pages are 136 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 transaction is complete.

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, Buyer Representation Agreement or otherwise engaging the services of a REALTOR® agreeing to compensate them, the homeowner should understand exactly what services will, or will not be, provided.

Why Use a REALTOR®?

Not every real estate salesperson or broker is a REALTOR®. That term and the familiar Block “R” logo are trademarked by the Canadian Real Estate Association in association with the National Association of REALTORS® in the United States. CREA owns the MLS® trademark also. Both trademarked logos can only be used in Canada by members of the Canadian Real Estate Association who accept and respect a strict Code of Ethics. The MLS® database is operated by member boards in various provinces and in Ontario by real estate boards belonging to the Ontario Real Estate Association (OREA) which provide an ongoing inventory of available properties and ensure maximum exposure of properties listed for sale. This is important because most resale homes in Ontario are listed and sold through the MLS® systems.

For that extra measure of peace of mind, ensure the individual seeking to represent you is both a registrant of the Real Estate Council of Ontario and a member of the Ontario Real Estate Association - - - permitted to be called a REALTOR®. Check the RECO website www.reco.on.ca for a searchable list of our registrants.

The Critical Role of the REALTOR®

Listed here are 136 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, understanding 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 dealing with the public! Remember, not every real estate registrant holds REALTOR® membership or MLS® access; make sure yours does!

Pre-Listing Activities

1. Make appointment with seller for listing presentation
2. Send seller 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 in the area from MLS® database
6. Research days-on-the-market for similar properties, location and price
7. Review property tax roll information
8. Prepare "Comparative Market Analysis" (CMA) to establish fair market value
9. Research property's ownership and how it is held (deed)
10. Check Municipal tax records for lot size
11. Verify the legal description from public records
12. Check Planning Department of Municipal Offices for current zoning
13. Check for land use restrictions or special zoning
14. Verify legal names in the Registry Office (or deed)
15. Prepare listing presentation with researched materials
16. Drive by the property to assess the Curb Appeal, compare with neighbourhood
17. Start formal office file on the property
18. Confirm school district and effect of schools on the property value
19. Determine whether property is subject to a shoreline road allowance (if applicable)
20. Review all pertinent information to ensure that it's complete

Listing Appointment Presentation

21. Explain the various agency relationships using Working With a Realtor® pamphlet and get acknowledgement that this has been reviewed with the seller
22. Give the seller an overview of current market conditions and projections
23. Review sales representative and brokerages credentials and accomplishments.
24. Review and confirm all legal descriptions and ownership details
25. Measure exterior and establish the square footage above grade
26. Confirm lot size from owner's survey - if no survey is available, make a note on the listing
27. Note any lot line fencing, easements and variances
28. Discuss with the seller the possibility of seller take back (STB) and other options
29. Review any appraisal that may have been made
30. Present CMA to the Seller including Comparable sold properties, Current listings and expired listings
31. Offer pricing strategy based on experience and current market conditions
32. Discuss a Marketing Plan to meet the goals of the seller
33. Explain the advantages and power of Multiple Listing Service ®
34. Explain the use and power of web marketing, IDX and www.mls.ca
35. Explain the work both the salesperson and brokerage do behind the scenes and availability at night and on weekends
36. Explain the sales professional's role in taking calls and screening for qualified buyers and curiosity seekers
37. Present and explain the strategic master marketing plan
38. Review and explain the Listing Agreement and obtain the signature of the seller - give the seller(s) copies.

Once the Property is Listed

39. Measure and record all room dimensions
40. Obtain house plans if available
41. Make a copy of any house plans
42. Copy survey and retain in listing file
43. Advise seller of how showing appointments will be made
44. Prepare instructions for salespeople showing the property and confirm with the seller the best times to show to prospective buyers
45. Have Mortgage Verification Forms signed and submitted to mortgagee
46. Verify with lender any penalties, terms and current rates and if the mortgage can be discharged
47. Check on whether the existing mortgage can be assumed and under what terms.
48. Confirm any Condominium Fees or Homeowner Association fees currently in effect

49. Get a copy of the Condominium bylaws, if applicable
50. Confirm supplier of Hydro or any other provider of this utility
51. Calculate the utility usage for the past 12 months from seller's records
52. Verify the availability of any septic bed layout or permits at time of installation
53. Water – if Municipal check on rates for the past 12 months
54. Well Water – confirm well status and have Health Unit test so remedial steps can be taken if required. Also, advise of any abandoned wells on the property and put on the listing
55. Determine natural gas, heating oil or propane supplier's name and telephone number
56. Note on listing any rented appliances i.e. hot water tank, furnace, etc.
57. Verify security system- owned, rented, terms and service terms
58. Ascertain if any lead-based paint, asbestos insulation, UFFI or other latent defect needs to be disclosed
59. Prepare a list of property features such as pool, sauna, whirlpool, landscape pools and special plants
60. Prepare a list of chattels included or excluded from the sale of the property
61. Compile a list of recent improvements, repairs or maintenance
62. Send letter to Seller if property is vacant to advise insurance company
63. Explain the advantages of a lock box and have extra keys made
64. Verify if property has rental units. If so:
65. - Inquire as to whether they comply with the zoning by-law, fire and electrical safety
66. - Make copies of all rental agreements
67. - Determine ownership of any appliances or other chattels
68. - Verify and list all rental amounts and deposits held
69. - Inform tenant of the listing and discuss how showings will be handled
70. Arrange for installation of For Sale sign
71. Assist seller to fill in the Seller Property Information Statement
72. Give the seller a blank copy of the Agreement of Purchase and Sale and discuss it with them
73. Explain the offer presentation process and the possibility of multiple offers
74. Discuss the type of conditions that will likely be included in an offer to purchase
75. Discuss results of Curb Appeal Assessment, Interior Décor Assessment and discuss ways to improve appearances for showings.
76. Arrange for Office Tour/MLS® Tour and report comments back to seller
77. Load listing into personal database for transaction management

Entering Property in Multiple Listing Service® Database

78. Prepare and check MLS® data input sheet
79. Upload to Real Estate Board – MLS® Data Input
80. Proof read listing as it appears in mls.ca
81. Take additional photos for uploading to MLS® and for use in Flyer. Talk to seller about virtual tour possibilities

Marketing The Listing

82. Create both print and Internet Ads with seller's input
83. Co-ordinate showings with the owner, tenants and other REALTORS®.
Return all calls - weekends included
84. Install lockbox if authorized by the owner
85. Prepare personal mailing and contact list
86. Generate mail merge letters to contact list
87. Order "Just Listed" cards and handouts
88. Prepare flyers and feedback faxes
89. Constantly review MLS® listings to ensure property remains competitive in price
90. Prepare property marketing brochure for seller's approval
91. Arrange for printing of approved brochure and distribution
92. Distribute property brochure to all company salespeople
93. Mail out "Just Listed" notices to the immediate neighbourhood residents
94. Advise company Network Referral Program of the listing
95. Provide marketing data to buyers coming through international relocation
96. Provide marketing data to buyers coming from referral network
97. Submit ads to company's internet site
98. Price changes promptly conveyed to all databases and internet groups
99. Reprint supply of brochures as required
100. Update Mortgage information as available to all marketing facilities
101. Follow up feed back e-mails and faxes sent to representatives who have shown the property
102. Discuss feedback from showing representatives with the seller to determine if changes are required to accelerate the sale
103. Place regular weekly update calls to the seller to discuss marketing activity and results
104. Receive and review all Offers to Purchase submitted by buyers and buyers' representatives
105. Evaluate offer and prepare a "net sheet" on each for owner comparison
106. Counsel owners on each offer – explaining merits and weaknesses of each
107. Contact buyer's representative to discuss qualifications and motivations of their client
108. Fax/Deliver S.P.I.S. to buyer's representative or buyer prior to offer if possible
109. Confirm that buyer is qualified by Mortgage Officer
110. Obtain pre-qualification letter from Mortgage Officer
111. Negotiate all offers on seller's behalf, setting condition time limits and closing date
112. Prepare and convey all counter offers, acceptance and/or amendments to buyer's representative
113. Fax copies and mail originals of all documents to lawyer for the seller
114. When Offer to Purchase is settled and finalized by the seller, deliver to the buyer's representative leaving a true copy with the owner

115. Deliver deposit to Trust Account as soon as practicable.
116. Provide copy of the executed agreement to the office for filing in the deal file
117. Advise and counsel owner on the handling of offers while the original transaction is pending i.e. days to meet conditions in first offer and procedures
118. Update personal transaction program indicating Sale Pending
119. Assist buyer in applying for financing, if applicable
120. Arrange for appraiser to inspect the property and give any information including comparables, survey copy, etc.
121. If STB – get Credit Report of buyer for seller and review it with him/her
122. Order Septic Tank inspection, if applicable
123. Deliver water test results from Health Unit to mortgage company
124. Arrange other inspections as required by Financial Institution and/or insurance company i.e. mould, termite WETT inspection, etc.

Mortgage Tracking

125. Contact lender regarding mortgage application progress
126. Prepare/obtain waiver or condition removal documents and deliver to lawyer for the seller

Home Inspection

127. Co-ordinate buyer's professional home inspection
128. Review the inspection report
129. If repairs required, assist seller in obtaining trustworthy contractor to perform required repairs

The Appraisal

130. Schedule appraisal appointment
131. Provide appraiser with comparables used to set list price
132. Assist seller in questioning appraisal report if it seems too low

Closing Preparations and Duties

133. Work with buyer's representative to arrange any visits prior to closing as agreed in the Agreement of Purchase and Sale
134. Arrange for trust deposit monies, if in excess of commission due, to be given to the lawyer for the seller
135. Be available for any concerns/questions from the seller
136. Advise MLS® that property is Sold and supply details as to price, date of sale, selling brokerage

This list is adapted from the list prepared by the Orlando Regional REALTOR® Association. Canadian content has been added.