



Russ
Lyon

Sotheby's
INTERNATIONAL REALTY

Benefits of Seller Representation

Understanding agent value in the selling process with a Russ Lyon Sotheby's International Realty Global Real Estate Advisor



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Your Trusted Global Real Estate Advisor

Selling a home is typically one of the largest transactions you will ever be involved in — and it can have lasting consequences, positive and otherwise, for years to come. A trusted Global Real Estate Advisor not only acts as your expert guide but also understands current market conditions, strategically prices your home, prepares your home to sell, negotiates on your behalf and navigates the hundreds or thousands of pages of disclosures, reports and contracts, all to help you avoid costly mistakes.

Leverage the Sotheby's International Realty Brand

Sotheby's International Realty is a globally recognized brand that lends immediate credibility to your property, elevates your representation and increases your property's exposure. Our success is defined by our deep commitment to our clients. This trust has been built since 1744, when the Sotheby's auction house began selling its clients' most valuable treasures.

Navigating the Home-Selling Process

Having an experienced professional in your corner offers a competitive advantage not only when selling your home but also when accessing local resources. An Advisor's broad perspective, experience and network can provide a stabilizing force through what can be a challenging process.

Understanding Agency

Your Advisor will provide you with an Information About Brokerage Services document that will explain in detail the duties and roles of an Advisor. Legally, the Brokerage is the entity that represents the Buyer or Seller, and the Advisor is an authorized representative of the Brokerage. In this document, we will refer to your advisor as the Advisor, and Russ Lyon Sotheby's International Realty as the Broker.

Intermediary Relationships

Brokerages can legally represent both a Buyer and a Seller on the same transaction provided they have written consent from both parties to do so. An Advisor can represent both the Buyer and the Seller in a transaction as an intermediary without appointment, or a Broker acting as intermediary can make appointments of separate Advisors to Buyer and Seller. Buyers and Sellers must agree to Intermediary Representation in writing in both their representation agreements and again as part of the Contract. Brokerages can legally represent both a Buyer and a Seller on the same transaction provided they have written consent from both parties to do so.





Initial Consultation

An initial meeting is important to understand your home-selling needs and to develop a strategy to successfully sell your home.

Understanding Your Real Estate Goals

- Your selling timeframes
- Your previous experience with real estate selling
- Understanding any financial goals related to the sale
- Risk tolerance — managing possible contingencies, buyer circumstances, etc.

During Our Time at Your Home

- Get to know the Advisor and the Brokerage they represent
- Talk about the Advisor's philosophy, qualifications and references
- Understand the Sotheby's International Realty difference
- Tour the home with the Advisor and talk about what you have liked and not liked about it
- Create an action list to get your property ready for photographs
- Talk about the Advisor's commitment to marketing your unique home
- Talk about the market and positioning your home for success
- Have a review of available and sold homes in the area
- Have a review of the market: What is selling, how many days on the market, more
- Talk about positioning the property to attract the most qualified buyers

Benefits of Exclusive Representation

Your Global Real Estate Advisor will prepare a contract outlining their services so they can commit to assisting you with your home-sale transaction. As your exclusive Advisor, they will be assisting you with many tasks. Below is just a brief overview of some of the areas where Advisors demonstrate their value and contribute to a successful sale.

- Provide an overview of the current market dynamics and challenges
- Create a sales strategy
- Consult about any strategic renovations that could add value
- Provide access to vendors for turnkey strategic renovations
- Determine with your approval the sales price range
- Assist with staging
- Schedule open houses
- Review offers with you
- Evaluate and negotiate your selected offer
- Facilitate transaction and ensure all parties involved are communicating and operating in line with contract timelines.





Understanding Brokerage Compensation

Brokerage Compensation

You will sign a Listing Agreement, which is a contract for professional services and representation between you and your Global Real Estate Advisor. This also confirms the compensation for the Buyer's Advisor and Brokerage. It should be noted that the amount a brokerage charges is not fixed by law; the compensation amount is negotiable and brokerages may set minimum fees.

Compensation Division

The compensation paid for representation is paid to the Broker to cover business operations, expenses — such as Errors and Omissions Insurance — and membership in industry organizations. It is shared with the Advisor and used to offset the Advisor's necessary business expenses associated with licensed activities.

Who Pays Compensation?

Seller-Paid Brokerage Compensation

When listing a property for sale, Sellers complete a Listing Agreement to authorize payment to the Listing Broker. In most cases, the Listing Agreement also offers a compensation amount to be paid to the Broker representing the Buyer. Compensation is always negotiable and you and your Advisor will determine compensation to the Broker and any cooperating broker. If the amount of compensation offered by the Listing Broker is less than the compensation agreed to in the Buyer Representation Agreement between the Buyer and the Buyer's Broker, the Buyer is obligated to cover the difference.

Buyer-Paid Brokerage Compensation

A Buyer Representation Agreement allows your Advisor to represent a buyer even when no offer of compensation is published. Your Advisor can search for properties that are not in the MLS and may instead be For Sale by Owner, Off-Market, Coming Soon or Pocket Listings — as the Buyer Representation Agreement covers the payment for buy-side representation.





Advisor Value – 10 Important Benefits

When you hire an Advisor and pay them a compensation, you're not just compensating them for the time and effort they put into one transaction. You're also benefiting from their years of experience and expertise. Here are some of the reasons why this compensation is valuable:

- 1. Deep Knowledge** — Advisors have in-depth knowledge about the local real estate market. They can use this knowledge to guide you to make informed decisions.
- 2. Negotiation Skills** — An experienced Advisor has honed their negotiation skills over many transactions. They can help you get the best price for your property or help you so you don't overpay for a new one.
- 3. Networking** — Advisors have a vast network of professionals, from inspectors to mortgage brokers, who can be invaluable during the buying or selling process. Their relationships can speed up processes or uncover opportunities you might not find on your own.
- 4. Understanding of Forms** — Real estate transactions involve a lot of legal paperwork. An experienced Advisor understands the ins and outs of these contracts and can help you navigate them, reducing the risk of costly mistakes.
- 5. Problem-Solving** — Every real estate transaction has its unique challenges. An experienced Advisor has likely encountered and overcome many hurdles and can use that experience to address any issues that arise.

6. Time-Saving — While you might sometimes see the Advisor just during showings or your closing, there is a lot of behind-the-scenes work they do, including researching properties, coordinating with other Advisors and handling paperwork. Their expertise streamlines the process, saving you time.

7. Emotional Buffer — Buying or selling a home can be emotionally charged. An Advisor serves as a buffer, ensuring that emotions don't cloud judgment or derail a transaction.

8. Future Guidance — Many Advisors provide value even after a transaction is complete, offering advice on home improvements, market trends or when might be a good time to buy or sell again.

9. Risk Mitigation — Mistakes in real estate can be costly, whether it's missing a disclosure or not understanding a contingency in a contract. An experienced Advisor can help mitigate these risks.

10. Continual Learning — The real estate market and its regulations are continually evolving. Experienced Advisors invest in ongoing education and training to stay updated, ensuring they provide the best service to their clients.

In short, compensation is compensation not only for all the skills, strategy and research involved in your transaction but also for the thousands of hours a professional Global Real Estate Advisor has invested to develop the knowledge and instincts that will guide you to a successful offer and closing.



Navigating the Steps to a Successful Sale

Each home-selling journey is unique, just like you. But, the following list outlines the typical actions — including research steps, procedures, processes and reviews — in a successful residential real estate transaction provided by a full-service real estate brokerage in return for a sales compensation. Depending on the transaction, some of these steps may take minutes, hours, days or weeks to complete, while some may not be needed at all.

Determine the Sales Price

Your Global Real Estate Advisor will give you an overview of current market conditions and projections based on their research and present to you a Comparative Market Analysis (CMA), which may include homes comparable to yours, sold homes, current listings and expired listings. With this information, they will offer a professional pricing strategy based on an interpretation of current market conditions. They will also present strategies for marketing your home effectively by explaining the market power and benefits of the multiple listing service (MLS) and all the unique opportunities available through Sotheby's International Realty and Russ Lyon Sotheby's International Realty.

Your Advisor will also explain to you all that they and their brokerage do behind the scenes to get your home sold. They are always available to you promptly throughout the process.

The steps your Advisor will undertake to fully understand your property will include:

- Research all currently listed properties that are comparable to yours
- Research sales activity for the past 6 to 12 months from MLS and public databases
- Research the average days on the market for properties similar in type, price and location
- Research the property's tax information
- Prepare a Comparative Market Analysis (CMA) to establish market value
- Gather information from you about your home
- Form an understanding from you of any repairs, upgrades and improvements to the property that have been performed
- Learn about your favorite features of the property so that these can be highlighted and shared with potential buyers
- Prepare a listing-presentation package highlighting services provided by the Advisor and Brokerage
- Perform an exterior curb-appeal assessment of the property
- Compile and assemble a formal file on the property
- Confirm current public schools in the area and explain their impact on market value
- Review listing-appointment checklist to ensure completion of all tasks

Listing Appointment Presentation

The steps the Advisor will undertake at the listing presentation may include:

- Meet with you at your home
- Get to know your home
- Present the listing presentation
- Discuss your goals and desired selling timeline
- Advise on potential repairs and/or valuable upgrades
- Create a make-ready, pre-listing list of action items and review the list with you. Work with you to complete items selected.
- Share their value proposition
- Explain the benefits of the brokerage
- Explain current market conditions
- Review the market, including comparable homes, sold homes, current listings, expired listings and the average days on the market in your area
- Offer a professional pricing strategy based on an interpretation of current market conditions
- Discuss the positioning of your property that will attract the most qualified buyers
- Present a strategic marketing plan and their commitment to marketing your home
- Explain the market power and benefits of the multiple listing service
- Explain the market power of Sotheby's International Realty
- Explain video-marketing strategies and 3D-tour marketing
- Explain the work the Advisor and the Brokerage do behind the scenes
- Describe any buyer pre-screening processes
- Explain buyer and seller agency relationships
- Provide an estimated 'net sheet' (an estimate of the sum you will receive at closing) to you
- Review all clauses in the listing contract and obtain your signature



Prepare your Home for Sale

After a Listing Agreement is signed, it is important that the focus shifts to making sure your home shows well and that all necessary information is available to potential buyers. Your Advisor will do the following, either with you or behind the scenes:

- Create an internal file for the transaction
- Provide you with signed copies of the Listing Agreement
- Send details of the next steps in listing your home
- Provide a Seller's Disclosure Notice to you
- Determine whether the property is in a groundwater conservation district or a public improvement district, which you are required to disclose
- Review current title information and open up file with selected title company
- Measure and verify square footage
- Confirm lot size from county tax records
- Investigate any unrecorded property lines, agreements or easements
- Obtain house plans, if applicable and available
- Establish any showing instructions or restrictions with you
- Obtain current mortgage loan(s) information: companies and account numbers
- Check the assumability of loan(s) and any special requirements
- Discuss possible buyer-financing alternatives and options with you
- Review current appraisal, if available
- Collect survey of property and provide T-47 Residential Real Property Affidavit, which must be completed and notarized
- Explain appraisal process and any pitfalls
- Recommend a title company
- Verify any Homeowner Association (HOA) fees
- Obtain copy of HOA bylaws, if applicable
- Gather transferrable warranties
- Determine need for lead-based-paint disclosure
- Calculate average utility usage from last 12 months of bills
- Verify security-system ownership
- Discuss video-recording devices and showings
- Determine property inclusions and exclusions
- Prepare detailed list of property amenities and assess their market impact
- Agree on list of repairs and maintenance items to be made before listing
- Consult on home warranty options
- Have extra key made for lockbox, if necessary
- Schedule staging consultation & house cleaners
- Assist with coordination and completion of make-ready items
- Install electronic lockbox
- Arrange for brokerage yard-sign installation
- Set up photo and video shoots
- Prepare home for photographer
- Ensure curb appeal of home is maximized
- Meet photographer/videographer at your home
- Schedule drone and 3D-tour shoots
- Prepare input sheet for details of listing
- Write property description for brokerage website
- Enter property data from the Profile Sheet into MLS listing database
- Proofread description and confirm the accuracy of details of the property
- Send description to you to review and confirm accuracy
- Add property to the brokerage's back-end system
- Ensure the listing is uploaded to the Russ Lyon Sotheby's International Realty websites
- Set up showing service
- Discuss with you the offerings of the brokerage's White Glove service partners

Marketing the Listing

- Develop a marketing plan for the listing using print, digital, social media, public relations and direct-mail options provided by Russ Lyon Sotheby's International Realty
- Create virtual-tour page
- Verify listing data on third-party websites after syndication
- Create property brochure to place in the home and mail to potential buyers
- Create print and social media ads as determined in the strategic marketing plan
- Post 'Just Listed' posts on Facebook and Instagram (and have you share them!)
- Announce the new listing to Advisors within Russ Lyon Sotheby's International Realty
- Create digital newsletter promoting the property to Advisors who sell in that market
- At the property, display materials about special features, updates and amenities
- Schedule and promote any advisor-only open houses
- Schedule and promote any public open houses
- Coordinate a showing schedule
- Gather feedback after each showing
- Keep track of all showing activity
- Discuss feedback from showings with you to determine if any changes will accelerate the sale
- Update MLS listing as needed
- Review marketing, listing-activity and market reports with you on weekly update calls
- Provide a Seller's Report regularly to track visitors to company websites and syndicated sites as well as other marketing activities including advertising, open houses, etc.
- Review comparable MLS listings regularly to ensure the property remains competitive in price





Evaluate Offers and Prepare Contract

- Communicate details about the property with buyers' advisors and answer questions
- Deliver square-foot disclosures, survey, floor plan, etc., to buyers' advisors or buyers
- Receive and review all Offer to Purchase contracts submitted by buyers or buyers' advisors
- Evaluate offer(s) and prepare a 'net sheet' (an estimate of the sum you will receive at closing) on each for you to compare
- Contact buyers' advisors to review buyers' qualifications and discuss the offer
- Obtain a preapproval letter from the buyers' advisors
- Examine and verify buyers' qualifications
- Examine and verify the buyers' lenders
- Counsel you on offers
- Negotiate all offers on your behalf
- Prepare and convey any counteroffers or the acceptance to the buyer's advisor
- Obtain the signatures of all parties and execute the contract
- Deliver a copy of the executed contract to the buyer's advisor and confirm receipt
- Deliver copies of the executed contract and all addendums to the title company
- Deliver copies of the executed contract to you
- Confirm delivery of the executed contract to the lender, if applicable
- Confirm earnest money and option fee delivered to the title company within three days of executed contract
- Upload executed contract and contract addendums to the transaction-management system
- Change property status in MLS
- Change any "Under-Contract Showing Restrictions" as you request
- Advise you in handling any additional offers submitted between contract and closing
- Send critical dates and next steps to you

Track the Loan Process

- Follow loan processing through to the underwriter
- Add lender and other vendors to transaction-management program so advisors, buyer and seller can track progress of sale
- Contact lender weekly to ensure processing is on track
- Relay final approval of buyer's loan application to you





Organizing the Home Inspection

- Prepare you for home inspection and next steps
- Coordinate buyer's professional home inspection with you
- Review the home inspector's report
- Get all repair requests in writing
- Explain to you any inspection objections from the buyer
- Determine your inspection resolution
- Assist you with identifying and negotiating with trustworthy contractors for required repairs
- Negotiate payment and oversee completion of all required repairs on your behalf, if needed
- Supply paid receipts, photos and other verification needed of repair completion

Coordinate the Appraisal

- Confirm schedule for appraisal
- Provide to appraiser a list of upgrades to the property and comparable sales used in market pricing
- Meet appraiser at the property and provide appraiser package
- Enter appraisal completion into transaction-management program
- Follow up on appraisal to confirm the property met the needed value
- Assist you in questioning the appraisal report if it seems low

Closing Preparations and Duties

- Confirm all contract forms have been submitted to brokerage office for review
- Ensure all parties have all forms and information needed to close the sale
- Track critical date timelines in contract and confirm all have been met
- Confirm buyer and buyer's advisor received title insurance commitment and any HOA documents
- Coordinate closing process with buyer's advisor and lender
- Confirm clear to close
- Coordinate closing times and location
- Confirm closing date and time and notify all parties
- Work with buyer's advisor in scheduling and conducting buyer's final walkthrough prior to closing
- Resolve any title issues before closing
- Remind you to transfer utilities
- Help you with moving details, if needed
- Confirm date of moving for clients and resolve any timing issues
- Request final closing figures from closing agent
- Remind you to transfer mail
- Receive and carefully review closing figures to ensure accuracy
- Review closing figures with you
- Confirm repairs have been made and deliver confirmation to buyer's advisor
- Resolve any last-minute issues.
- Determine if power of attorney (POA) or notary is needed for closing
- Remind you to bring current I.D. to closing
- If out-of-town closing, arrange for remote closing
- Provide details of home to buyer regarding any transferrable warranties, owner's manuals, codes for systems, etc.
- Have you bring keys and garage-door openers to closing
- Attend the closing
- Pick up sign and lockbox
- Change MLS status to SOLD!
- Close out listing in transaction-management program

Follow Up After Closing

- Answer any questions about home with buyer's advisor
- Attempt to clarify and resolve any repair conflicts
- Respond to any follow-up calls and provide any additional information required for office files
- Follow up with you to confirm you are satisfied and help you with any next steps
- Ask for feedback and review for client

Congratulations on your home sale!



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