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# Increase Your Commission

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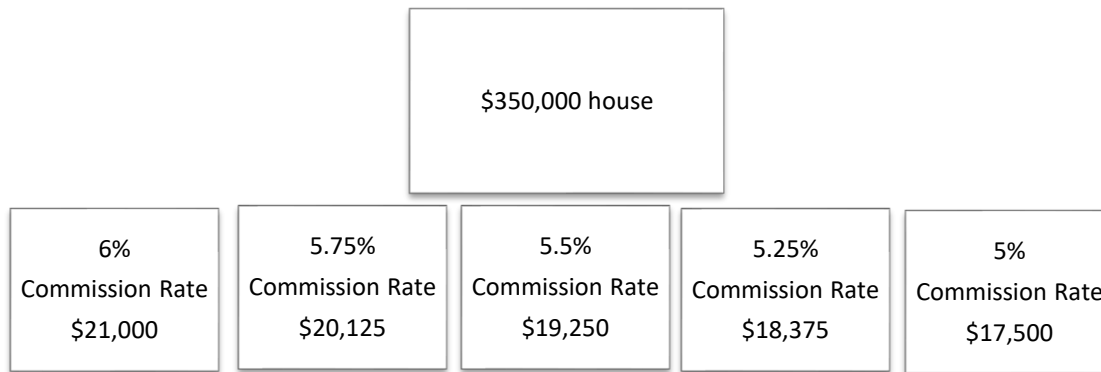
# A) The WHY- Chart of annual and cumulative income difference - monthly scorecard



	2.25	2.5	2.75	3.0
\$10,000,000	\$225,000	\$250,000	\$275,000	\$300,000
\$50,000,000	\$1,125,000	\$1,250,000	\$1,375,000	\$1,500,000
\$100,000,000	\$2,250,000	\$2,500,000	\$2,750,000	\$3,000,000
\$250,000,000	\$5,625,000	\$6,250,000	\$6,875,000	\$7,500,000
\$500,000,000	\$11,250,000	\$12,500,000	\$13,750,000	\$15,000,000



# B) Split the difference 6 to 5.5 vs to 5



20 transactions at 6% average -	$\$420,000 \times .5 = \$210,000$	} \$35,000
20 transactions at 5.75% average -	$\$402,500 \times .5 = \$201,250$	
20 transactions at 5.5% average -	$\$385,000 \times .5 = \$192,500$	
20 transactions at 5.25% average -	$\$367,000 \times .5 = \$183,750$	
20 transactions at 5% average -	$\$350,000 \times .5 = \$175,000$	



# C) Have the commission pre-filled out at 6 or higher



## EXCLUSIVE RIGHT TO SELL LISTING CONTRACT Greater Hartford Association of REALTORS®



### PARTIES AND PROPERTY

I/We (Owner(s)) Susan and John Smith, give you  
(Brokerage Firm) RE/MAX Right Choice the EXCLUSIVE RIGHT TO SELL my/our  
real property located at (Listed Property) 123 Main St, Glastonbury, CT 06033,  
Connecticut, for (Listed Price) \$ \$450,000.

The parties agree that:

1. This Contract will go into effect on November 1, 2018, and will remain effective through and including November 1, 2019.
2. I/We will refer all inquiries or offers concerning the LISTED PROPERTY to you.
3. You may place a "for sale" sign on the LISTED PROPERTY.
4. You may install an electronic lockbox and/or a mechanical combination lockbox on the LISTED PROPERTY. I/We understand that members of associations of REALTORS® in this region and other authorized persons will have access to this lockbox.
5. You will use reasonable efforts to sell the LISTED PROPERTY.
6. You ☒ may ☐ may not submit the LISTED PROPERTY to the applicable Multiple Listing Service(s), see attached Instruction to Withhold Listing from MLS, if applicable. I/We will provide accurate information about the LISTED PROPERTY for such submission. I/We understand that information about the LISTED PROPERTY, including property address, submitted to the Service may be posted on the Internet, via websites, as you may determine. You will submit photographs of the exterior and may submit photographs of the interior of the LISTED PROPERTY. I/We recognize and understand that you permit other real estate licensees who are not affiliated with you to advertise your listings on their web sites and in brochures and other media. I/We hereby consent that you may permit such licensees to advertise the LISTED PROPERTY on their web sites and in brochures and other media.
7. I/We understand that you are not an insurer against theft, loss or damage to the LISTED PROPERTY. I/We understand the advisability of verifying the existence of, or obtaining, appropriate insurance through my/our insurance broker and that you are not responsible for theft, loss or damage to the LISTED PROPERTY.

**NOTICE: THE AMOUNT OR RATE OF REAL ESTATE BROKER COMPENSATION IS NOT FIXED BY LAW. IT IS SET BY EACH BROKER INDIVIDUALLY AND MAY BE NEGOTIABLE BETWEEN YOU AND THE BROKER.**

8. I/We will pay you a service fee of 6% of the agreed upon sale price if and when:



# D) Pre-fill in listing % and cross out



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8. I/We will pay you a service fee of ~~6%~~ 5.5% of the agreed upon sale price if and when:



# E) Expired should be higher commission

Current List Price: \$264,900 Last Updated: 04/01/18 Date Expired: 03/31/18 DOM: 257  
 Previous List Price: \$274,900 Entered in MLS: 05/05/17 CDOM: 257  
 Original List Price: \$274,900 Listing Date: 05/04/17

Showing & Contact Information  
 Showing Inst: 800.746.9464  
 Lockbox: SMLS Compatible Elec./  
 Owner: Date Available: Negotiable Bank Owned: No  
 Owners Phone: Occupied By:  
 Directions: West Avon Road to (route 167) to Farmington Woods entrance, Right on Heritage Drive, Left on Mallard, Right on Ashford Drive

Listing & Compensation Information  
 Listing Contract Type: Exclusive Right to Sell/Lease Service Type: Full Service Sign: No  
 Buyer's Agent Comp.: 2.50 % of sale price

Current List Price: \$524,995 Last Updated: 07/03/18 DOM: 270  
 Previous List Price: \$519,995 Entered in MLS: 02/04/18 CDOM: 270  
 Original List Price: \$519,995 Listing Date: 02/04/18 Expiration Date:

Showing & Contact Information  
 Showing Inst: call Steve at 860 614 3940  
 Lockbox: None/N/A Date Available: 6 months Bank Owned: No  
 Owner: Farmington West Estates Limited p. Owners Phone: Occupied By:  
 Directions: RTE 177 to Snowberry LN

Listing & Compensation Information  
 Listing Contract Type: Exclusive Right to Sell/Lease Service Type: Full Service Sign: No  
 Buyer's Agent Comp.: 2.50 % of sale price

Current List Price: \$259,900 Last Updated: 10/27/18 DOM: 180  
 Previous List Price: \$289,900 Entered in MLS: 05/05/18 CDOM: 180  
 Original List Price: \$329,900 Listing Date: 05/05/18 Expiration Date:

Showing & Contact Information  
 Showing Inst: Please use Showingtime. Thanks!  
 Lockbox: None/ Date Available: TBD Bank Owned: No  
 Owner: Withheld Owners Phone: Occupied By: Owner  
 Directions: 184 exit 15 or 16 to Old Waterbury Rd to Church Rd.

Listing & Compensation Information  
 Listing Contract Type: Exclusive Agency Sell/Lease Service Type: Entry Only Sign: No  
 Buyer's Agent Comp.: 2.50 % of sale price

Current List Price: \$279,000 Last Updated: 08/19/18 DOM: 351  
 Previous List Price: \$269,000 Entered in MLS: 11/15/17 CDOM: 351  
 Original List Price: \$269,000 Listing Date: 11/15/17 Expiration Date:

Showing & Contact Information  
 Showing Inst: use show assist  
 Lockbox: None/none Date Available: upon completion Bank Owned: No  
 Owner: Pond Spring Dev LLC Owners Phone: Occupied By:  
 Directions: Main St to Depot Street-cross over bridge, turn right on Lopus Rd, right on Pent Rd, left on Pondview..Mode home on the right

Listing & Compensation Information  
 Listing Contract Type: Exclusive Right to Sell/Lease Service Type: Full Service Sign: No  
 Buyer's Agent Comp.: 2.50 % of sale price

# F) Styles that take longer should be higher commission

Town/City	CDOM, Average
Trumbull	170
South Windsor	124

 Export as CSV

Time frame is from Jan 2013 to Oct 2018  
City is one of 'South Windsor', 'Trumbull'  
Style is 'Antique'

Town/City	CDOM, Average
Trumbull	85
South Windsor	76

 Export as CSV

Time frame is from Jan 2013 to Oct 2018  
City is one of 'South Windsor', 'Trumbull'  
Style is 'Bungalow'

Town/City	CDOM, Average
Trumbull	129
South Windsor	53

 Export as CSV

Time frame is from Jan 2013 to Oct 2018  
City is one of 'South Windsor', 'Trumbull'  
Style is 'Contemporary'

Town/City	CDOM, Average
South Windsor	47
Trumbull	31

 Export as CSV

Style is 'Ranch'  
City is one of 'South Windsor', 'Trumbull'



# G) Locations that take longer should be higher

**Highway noise. Suggest your clients do a drive-by prior to scheduling a showing.**

DOM: 183

Buyer's Agent Comp.: 2.50 % of sale price

**Main road (rt 198)**

Days On Market: 236

Buyer's Agent Comp.: 2.50 %

**Power lines allowed up to the home site.**

DOM: 188

Buyer's Agent Comp.: 2.50 % of sale price



# H) Corporate Relocation and Banks

- Mr. and Mrs. Seller -

Why do you think, on average, corporate relocation and bank homes sell quicker?



It is a known fact they make the condition pristine, they price based on market comps, and they offer a higher commission than you typically see in the market. Historically they have offered 6, 6.5, or 7% commission.

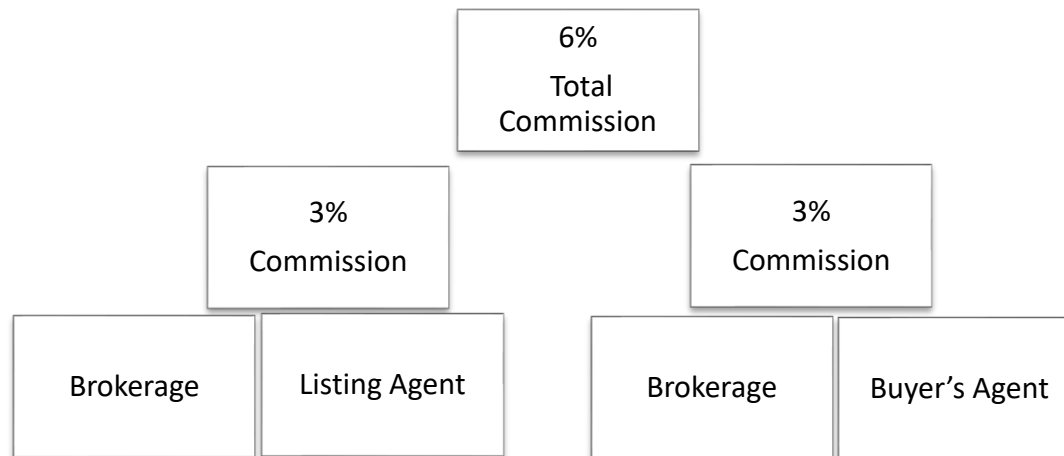


# I) Agents will not show your listing without you even knowing it

\$400,000 house		
2% BBC Commission Rate	2.5% BBC Commission Rate	3% BBC Commission Rate
\$8,000 Commission	\$10,000 Commission	\$12,000 Commission
Limited Interest	Average Interest	Above Average Interest



# J) Explain how the commission gets broken down





# K) My Value Proposition

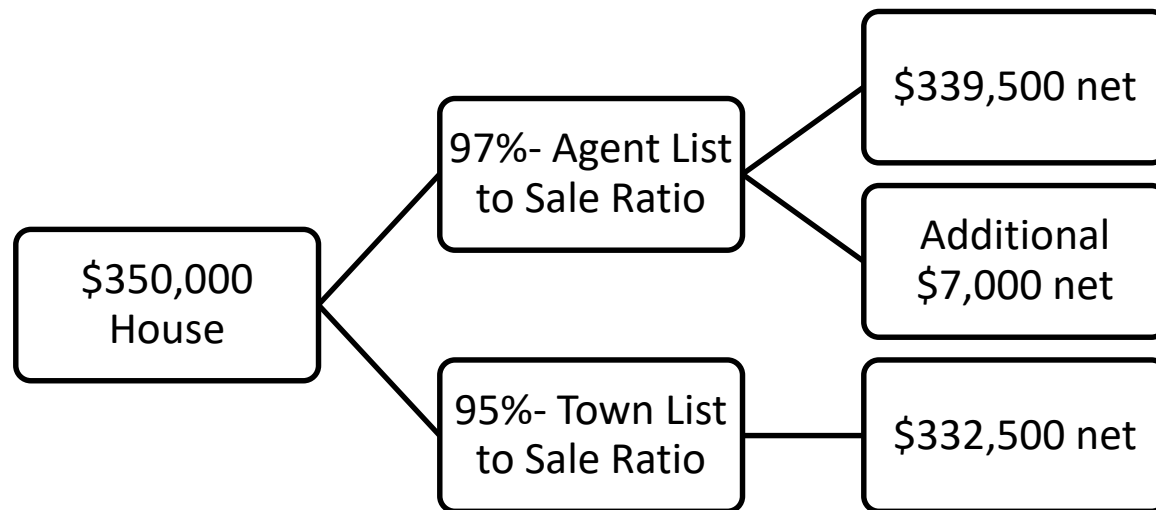
- Mr. and Mrs. Seller -

My statistics will show that, on average, most of my clients get more for their homes on a list to sales price ratio than what other sellers receive.



Why? It's about competence, negotiating power, industry reputation, and exposure and marketing. Agents want to show my homes and work with me.

**L)** List to sales price ratio -  
if market is 5% and you are  
3%





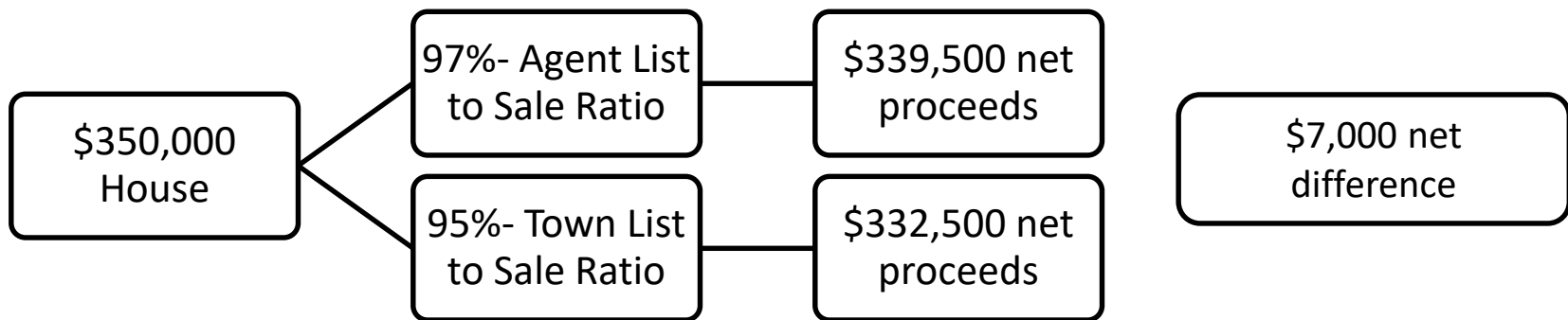
# M) Bottom Line

- Mr. and Mrs. Seller -

What is more important to you - what you invest in the fee you pay or what you walk away with when the sale is completed?

- Mr. and Mrs. Seller -

If the other agent could truly net you as much money as I can and offered a better value with a lesser commission, wouldn't they have all the listings?



5% commission rate: \$17,500

5.5% commission rate: \$19,250

COMMISSION DIFFERENCE:  $\$19,250 - \$17,500 = \$1,750$

$\$339,500 - \$332,500$ :  $\$7,000 - \$1,750 = \$4,250$  net gain for the seller

6% commission rate:  $\$21,000 - \$17,500 = \$3,500$  net difference

$\$335,500 - \$332,500$ :  $\$7,000 - \$3,500 = \$3,500$  net gain for the seller



# N) Ask what the net price goal is so you can focus on the bottom line vs. the commission

For Example:

Net Price Goal: \$330,000

Your average list to sales price ratio 97%

Your average commission (6%) plus conveyance taxes is 7%

$$\$330,000 \div 97\% = \$340,206 \div 93\% = \$365,813$$

If your list to price ratio was 95% vs. 97%

Your average commission (5%) plus conveyance taxes is 6%

$$\$330,000 \div 95\% = \$347,368 \div 94\% = \$369,540$$

You have to sell the house for \$3,727 higher to net the same dollars:

$$\$369,540 - \$365,813 = \$3,727 \text{ difference}$$

# O) The seller controls 4 major things:

- Asking price
- Condition
- The agent that represents them
- The commission being offered



# P) WHY DO SELLERS COME TO US - OUR SUCCESS

- RE/MAX IS THE #1 REAL ESTATE BRAND IN THE WORLD















# RE/MAX By The Numbers

RE/MAX out produces other brands by 2 to 1 in North America and has been #1 in US home sales since 1999.



Choose the brand with outstanding agents, leading brand awareness and an unmatched global presence.

	NATIONAL, FULL-SERVICE BROKERAGE BRANDS					
	TRANSACTION SIDES PER AGENT (LARGE BROKERAGES ONLY) <sup>1</sup>	U.S. TRANSACTION SIDES <sup>2</sup>	BRAND AWARENESS (UNAIDED) <sup>3</sup>	COUNTRIES & TERRITORIES	OFFICES WORLDWIDE	AGENTS WORLDWIDE
<b>RE/MAX<sup>®</sup></b>	<b>16.3</b>	<b>1,004,000</b>	<b>30.2%</b>	<b>110+</b>	<b>8,229</b>	<b>124,280</b>
	10.3	Not Released	0.4%	11	500	8,000
	8.6	128,416	1.3%	36	2,300	40,300
	8.0	709,117	15%	44	3,200	94,200
	7.9	Not Released	4.5%	3	1,450	50,000
	7.6	393,184	21.0%	80	9,600	127,500
	6.8	76,844	0.8%	4	360	12,100
	6.5	1,095,874	8.0%	37	1,000	180,000
	6.5	123,113	2.1%	72	1,000	22,600
	4.7	74,678	0.1%	2	53	15,570
	4.6	51,000	0.3%	2	160	11,000
	4.2	34,644	0.1%	1	238	8,155
	3.9	56,000	0.1%	1	168	16,000

©2019 RE/MAX, LLC. Each office independently owned and operated. Data is full-year or as of year-end 2018, as applicable. Except as noted, Coldwell Banker, Century 21, ERA, Sotheby's and Better Homes and Gardens data is as reported by Realty Group on SEC 10-K, Annual Report for 2018; all other competitor data is from company websites and industry reports. Transaction sides per agent for all but Realty ONE Group are calculated by RE/MAX based on 2018 REAL Trends 500 data, citing 2018 transaction sides for the 1,757 largest participating U.S. brokerages. Coldwell Banker includes NRT. Berkshire does not include HomeServices of America. Transaction sides per agent for Realty ONE Group calculated using company's data included in above chart. \*Compass and eXp Realty totals are for residential transactions only and do not include commercial transactions; totals for all other brands include commercial transactions. \*MHR Strategy Group study of unaided awareness among buyers, sellers, and those planning to buy or sell; asked, when they think of real estate brands, which ones come to mind? 19\_30408



# Our Results

4. In 2018 our firm averaged:

## #1 Firm in Connecticut Transactions Per Agent

Name	Total Transactions Per Agent
<b>RE/MAX Right Choice</b>	<b>17.6</b>
Keller Williams – Greater Hartford	10.9
Coldwell Banker	8.2
Century 21 All Points Realty	7.5
BHHS New England Properties	7.4
William Raveis	7.3
William Pitt Sotheby's	6.5
Keller Williams - Prestige	6.3
Higgins Group	4.3
Houlihan/Lawrence	3.8
Halstead Property	3.5

**\*\*Firms with 40+ agents**





- OUR FIRM ON AVERAGE OUTPERFORMS OTHER FIRMS BY DOUBLE OR TRIPLE
- WE ARE CELEBRATING OUR 32<sup>nd</sup> YEAR IN BUSINESS



**Q) 98% SUCCESS** selling  
their property when a  
seller took my absolute  
advice

- Pricing
- Commission
- Condition



# R) EXPERIENCE MATTERS

Mr. and Mrs. Seller –

The one thing you cannot measure in advance, which I think is what ultimately matters the most to your bottom line, is my success in both getting a sale completed and the amount of money my sellers clients receive from that sale.

Our abilities are all different, and like most service providers you come in contact with...you get what you pay for.



# S) 1% Separating Us Mr. and Mrs. Seller -

Is the one percent separating  
us on commission the only  
hurdle we have to signing the  
listing agreement tonight?



If I can prove I can add greater value than the 1% will you sign a listing/marketing agreement at my usual and fair commission rate?



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# **HANDLING COMMISSION RATE OBJECTIONS**

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# I) “Will you reduce your commission

A) First: Show gratitude.

Always thank them for considering your services. They are obviously interested in hiring you, and you appreciate their time in meeting with you.

For example, “Thank you for asking about my commission Mr. Seller. I’m so glad that you value my services and you invited me to list your house for sale. It’s a big task and I am honored to assist you with it.”



**B)** Second: Compliment them. Instead of being upset they are asking for a commission discount, point out how their skill is a commonality.

For example, “I can see you are also a great negotiator, that’s what I like about you. We are going to enjoy working together, aren’t we.”



**C)** Third: Ask for more information to find out what the specific commission objection is. Find out what they want, and most importantly, why. Guide the conversation gently to get to the bottom of their concerns.

For example, “When you say ‘lower commission’, what type of reduction are you asking for?”



**D)** Fourth: Address their reasoning. If their request is because they think you make money hand-over-fist, be prepared to educate them how you pay the other brokerage, your broker split, Uncle Sam, your marketing expenses, office overhead (including MLS and Realtor<sup>®</sup> dues), and you get to keep the small slice of pie that's left to feed your family.



Some people simply are not familiar with how self-employment works, so you can educate them tactfully.

For example : “Before I pay anyone, I have to pay Uncle Sam. If you can make that expense disappear, I’ll work for free.” ( we all know we can not avoid paying our IRS taxes)



**E)** If their commission objection is because they are comparing your service to bargain discount partial-service companies, you'll have to point out how your services are superior. Review your marketing plan of the many things you will do for them, that other brokerages may not do. Then you can compare your services to an affluent, upscale department store that they can relate to.

For example, "When you shop at Neiman-Marcus, you can relax because everything is done for you, and first class too, right? They can't offer all of those wonderful luxurious services for Wal-Mart prices." (That will infuse a bit of humor too)



**F)** If they are asking to pay a lower commission because they have very little equity to spare, or are on the verge of a short sale, that may require some creative solutions. Address their concerns with authentic, sincere resolutions.



**G)** Then again, next time they ask that dreaded commission objection, there's always the simple style approach revered by seasoned agents: "No. Any other questions?"



## II) “Will you cut your commissions, other agents will?”

A) “You know, you’re right, there are some agents out there that will and I’m a little concerned...can I tell you why?” (Yes)

Because for most of my clients this is either their most valuable possession or one of their most valuable possessions and

“If an agent is willing to discount their fee when negotiating with you what are they going to do at the negotiating table when a lot more than 1% could be at stake?”



Or

*“If the other agent can’t defend the money he/she gets paid to earn a living how do you think he/she will protect your money when they are negotiating on your behalf?”*

(The more conviction you have the less you will get objections like this - If you sound hesitant; your prospect will begin looking for ways to debate your commission)



**B)** “If they will reduce their price at the listing table, what will they do at the negotiating table? I will be tough and professional on both my fee and your price, particularly at the negotiating table.”



C) “Commissions aren’t as negotiable with agents that sell homes daily. They are only negotiable with realtors who don’t believe in the services that they offer.”



D) “No.” (then stay quiet and let silence do the heavy lifting)

E) “No. I charge \_\_\_% commission to all of my clients.”



**F)** *“I’m sorry I’m not permitted to reduce that amount.”*

**G)** *“My commission is not negotiable.”*



**H)** *“No, You see I don’t know how to discount what I do or the services I provide. I’m sure that makes sense to you.”*

**I)** *“I only work with sellers who want premium service, since that is the best way to help you achieve the highest possible price in the shortest amount of time.”*

**J)** *“Let me ask you, have you ever purchased an item in the past based primarily on price and later found out the value and quality was not nearly as good as you thought?” (wait for response)*



L) “I work 12 - 14 hours a day for my clients to find the right buyers and negotiate the best deal for my clients. I don't compromise on my service, and I don't sell your house short.

That's the kind of agent you want representing you, isn't it?”



(If No): "OK, I will respect your decision on that. If your house doesn't sell, or if you're not happy with the results, can I be the first agent you call?"

Great, then grab a pen and write my number down where you'll have it handy."  
(Try for control here to see if they are real - then give them your information).



**III) *When negotiating offers, repairs or at closing the seller may say “I need more money from the sale, can you help by cutting your commission?”***

**A)** “Unfortunately my commission is not a part of this negotiation. But if you want to push back, let’s push back against the buyers in a counter offer.”

Or

**B)** “Let’s take it back to the buyers to see what they say.”



**C)** *“So what you’re saying is that after I’ve done my job in bringing you a ready, willing and able buyer, you’d like me to reduce the amount that I get paid for it.”*

**D)** *“Here’s why that is difficult: If you’re boss asked you to do your job and you did it perfectly, but then withheld \$2,000 out of your paycheck since the company was having a bad month, how would you feel?”*



**E)** *“When we first spoke you told me that you wanted to move because . . . (Insert motivation here – ie. larger house, closer to family, job, and etc.)*

if that is still the case, then you have a decision to make about what is more important to you.

My job is to get your home sold, but you have to make the choices about your personal decisions , and then I follow your direction since I work for you.

So you need to decide whether this extra money is more important than . . .(repeat motivation – ie. being closer to family) . . . to you?”



# **IV) Buyer agent : Would you be willing to reduce the commission you receive**

No

The good news is that you don't have to pay me a commission. The agent that represents the seller of the home you ultimately purchase will share a portion of their commission with me for finding a buyer to purchase the home. So you don't have to pay me a thing!

# Concluding Thoughts



**You don't have to be great to start,  
but you have to start to be great.**

*~ Joe Sabah*

SUCCESS IS A JOURNEY,  
NOT A DESTINATION

