

B

Golf Exercise – STORE MANAGER

- You are the store manager with the ability to sell merchandise for:
 - cost + 16% if customer pays with cash, **or**
 - cost + 20% if customer pays with credit card
- The Regional Manager has been putting on the pressure because all the other store managers in the chain deliver higher sales numbers than you do.
- You have put most of the store merchandise on sale, but the "status" clubs go on sale next week.
- Cost is 1/2 the retail price.
- Taylor Made graphites retail for \$2,000.
- The non-status clubs are 1/2 the price as well, but you make twice the profit with the "status" clubs.
- A good volume day will put you over your quota and you need to make your quota this month since you haven't for the last 3 months and your Regional Manager is questioning your continued employment.

B

FIELD SIMULATIONS

Reminder: The Instructions are on page 142 of your Workbook

FIELD SIMULATION # 1	FSBO & Buyer Agent
Your Team:	FSBO Team (Stanley & Marcia)
The Players & Situation	Handout – page 2
Profiles of FSBO & Buyer Agent:	Handout – page 2
Your Backstory (Stanley & Marcia)	Handout – page 3 Remember – you DO NOT get to see the Backstory for the opposing side. DO NOT share your Backstory.

FIELD SIMULATION # 2	Buyer Agent & Listing Agent (Seller's Market)
Your Team:	Buyer Agent Team (Many or Matthew)
The Players & Situation	Handout – page 4
Profiles of Buyer & Listing Agents	Handout – page 5
Your Backstory (Buyer Agent)	Handout – page 6 Remember – you DO NOT get to see the Backstory for the opposing side. DO NOT share your Backstory.

FIELD SIMULATION # 3	Buyer Agent & Listing Agent (Buyer's Market)
Your Team:	Listing Agent Team (Christie or Cameron)
The Players & Situation	Handout – page 7
Profiles of Buyer & Listing Agents	Handout – page 8
Your Backstory (Listing Agent)	Handout page 9 Remember – you DO NOT get to see the Backstory for the opposing side. DO NOT share your Backstory.

FIELD SCENARIO 1: FSBO and Buyer Agent

THE PLAYERS	THE SITUATION
<ul style="list-style-type: none"> ▪ FSBO: Stanley & Marcia ▪ Buyer Agent: Kathy or Kevin 	<ul style="list-style-type: none"> ▪ Seller's market ▪ You are meeting in-person with the FSBOs ▪ Cape Cod Colonial style home with no mortgage balance ▪ Listed at \$195,000 ▪ Property and mechanicals well maintained ▪ Interior is a throw-back to the 70's and 80's, but everything else is in pristine condition

PROFILE OF FSBO: Stanley & Marcia	PROFILE OF BUYER AGENT: Kathy or Kevin
<ul style="list-style-type: none"> ▪ Have lived in family home for over 40 years ▪ Daughter - Rachel, and family moved out of state a few months ago ▪ Rachel is the catalyst behind Stanley & Marcia's desire to move ▪ Stanley – high blood pressure; Marcia – knee surgery; Rachel thinks they need to move ▪ Between doctor visits, Marcia's volunteer work for the church, & Stanley's golf league, things are hectic ▪ They have meticulously maintained their home and take a great deal of pride in the condition – inside and out ▪ They are starting to stress – the thought of packing up 40 years is daunting ▪ Rachel has assured them they have everything they need in their new location – completely brand-new in-law apartment waiting for them ▪ At Rachel's insistence, they are preparing to put the property on the market this weekend at \$195,000 	<ul style="list-style-type: none"> ▪ Seasoned professional with high moral compass ▪ Top producer, sits on association BOD ▪ Hold several designations – SRS, ABR, SRES, RENE ▪ It's a seller's market – listings have been selling as fast as they go on the market ▪ Clients – Jordan and Justin – looking for first home ▪ Limited down payment – Justin is a vet – can go VA ▪ They have been checking Zillow and driving around looking for homes

FIELD SCENARIO 1: FSBO and Buyer Agent - *continued*

Your Back Story: The FSBOs – Stanley and Marcia

- More than just a little overwhelmed.
- Don't really want to move, but know you have to due to health issues forcing you to make difficult choices.
- You would prefer to put the house on the market with a Realtor.
- Your daughter, Rachel, has been on HGTV and done research and says you can do it yourselves – she'll help – and look at all the money you will save!
- She said you can get a sign from the local hardware store and your grandson – Mike Jr. – will put it on the FSBO.com website where you'll get a lot of free advice and selling tips.
- You had a local agent do a CMA – value came in at \$175,000 - \$180,000.
- Good news for you – the house is paid off.
- Rachel thought it was low – did some research on Zillow and said \$190,000.
- Rachel said you could sell on your and save all the commission.
- You decide to put a sign up and ask \$195,000.
- You both just want it over – you're tired of Rachel's meddling and want it sold before Stanley has a heart attack! Bring us an offer – we're gone!!!
- As soon as Stanley puts up the sign – Jordan and Justin were driving by and stopped in to see the property.
- Jordan and Justin tell you both they are represented by an agent and they will have the agent contact them with an offer.
- Rachel is there and tells them 'that's fine – but we're not paying any commission. We know this is a seller's market and we can do this ourselves'.

FIELD SCENARIO 2: Buyer Agent and Listing Agent – Seller’s Market

THE PLAYERS	THE SITUATION
<ul style="list-style-type: none"> ▪ Buyer Agent: Mandy or Matthew (personality is Driver) ▪ Listing Agent: Lisa or Louis (personality is Expressive) 	<ul style="list-style-type: none"> ▪ Seller’s Market ▪ No other offers on the table ▪ Email (use text in class) or phone for Inspection Phase ▪ Offer successfully negotiated at \$325k ▪ Buyers are pre-approved ▪ Property built in 1967 and has gas heat, gas hot water, city water and sewer ▪ Seller Property Condition discloses 2 layers on the roof which was done in 2004; new gas furnace in 2014; new hot water tank in 2012, updated kitchen in 1995 w/ newer cabinets and granite counters ▪ Contract includes all appliances (which were newer and in good working order); light fixtures; paddle fans, and window fixtures

(Profiles on next page)

FIELD SCENARIO 2: Buyer Agent and Listing Agent – Seller's Market (*continued*)

PROFILE OF BUYER AGENT: Mandy or Matthew

- Seasoned professional with years of experience
- Holds several designations – ABR, RENE
- Excellent reputation and gets deals closed
- Pays attention to details
- Has a team of accomplished agents to help represent clients
- Representing Sarah and Steve – newly married and first-time buyers
- Down payment coming from parents and wedding gifts
- Have an accepted offer on a property
- Inspection revealed abandoned underground oil tank which must be removed
- Email sent to Listing Agent with repair requests authorized by the clients (and their attorney)
- You have been informed that the seller will negotiate with the buyers, but **you are NOT** to be involved from this point forward

PROFILE OF LISTING AGENT: Lisa or Louis

- Only been in business a couple of years
- Left a corporate marketing job
- Works in an office where manager controls all of the training and the culture is “Fake it ‘til you make it”.
- Only does the required CE for license renewal
- Has not earned any designations or certifications
- Did 4 transactions last year
- Busy with family and club responsibilities
- Sellers – Roz and Gary – were recommended by mutual friends after the listing expired
- Price adjusted and re-listed at \$349,900
- Property lingered a bit, but finally got an offer
- Inspection revealed an underground oil tank they did not disclose
- Sellers now only want to work directly with the buyers because they think the agent is pushy, rude, and aggressive

FIELD SCENARIO 2: Buyer Agent and Listing Agent – Seller's Market (*continued*)

Your Back Story: The Buyer Agent – Mandy or Matthew

- You met the buyers – Sarah & Steve – through mutual friends and also go to the same gym/
- After a comprehensive buyer counseling session, contractual representation secured.
- Buyers – Sarah & Steve -- found a property listed by an agent with no designations or certifications, was relatively new to the business, and only 4 transactions.
- Listing agent has a reputation of being passive-aggressive.
- After a CMA, offer of \$315K submitted and accepted with a closing date to accommodate the seller's timeline.
- Big surprise from inspection – underground oil tank that wasn't disclosed.
- Emailed the listing agent a repair request and let him / her know you couldn't believe the seller's didn't disclose the oil tank since they have lived there 20 years.
- Repair requests included:
 - A quote for removal at seller's expense and statement that seller would assume financial responsibility for any soil contamination if found during the remediation
 - Minor electrical issues totaling \$1,000
 - Evidence that termite issues were treated with a one-year warranty provided
 - A seller paid home warranty at closing
- Listing agent response was curt and to the point and forwarded your email to the sellers for their response.
- Sellers will work with the buyers directly but will not negotiate with you as the buyer agent.
- The buyers (Sarah and Steve) really want the property and think you have created problems for them.
- Sarah is ticked off with the sellers trying to hide the oil tank.
- Sarah is also insulted that the other agent won't work with you.
- She wants you to have someone else continue the negotiations while you take them out to look at more properties – maybe they will find a better one!

FIELD SCENARIO 3: Buyer Agent and Listing Agent – Buyer’s Market

THE PLAYERS	THE SITUATION
<ul style="list-style-type: none"> ▪ Buyer Agent: Shirley or Sam (Pushy, Controlling, Rigid) ▪ Listing Agent: Christie or Cameron (Ethical, Responsive, No Drama) 	<ul style="list-style-type: none"> ▪ Phone or in-person negotiation ▪ Buyer’s market ▪ Lots of inventory in the range of \$1M - \$1.5M ▪ Buyer pool is very limited ▪ Built in 1990 ▪ Price reduced by \$150K to \$1.1M after sitting on the market for over 122 days ▪ Pool needs new liner and 2nd floor bedroom roof leaking ▪ Dated guest bath and wallpaper in bedrooms ▪ All other rooms in great condition – but dated ▪ Kitchen recently remodeled ▪ Driveway is original and needs attention ▪ Landscaping professionally maintained

(Profiles on next page)

FIELD SCENARIO 3: Buyer Agent and Listing Agent – Buyer’s Market (*continued*)

PROFILE OF BUYER AGENT: Shirley or Sam

- Seasoned top producer
- Reputation for being pushy, controlling, and rigid.
- Other agents call him / her – “Slip & Slide Shirley / Sam”
- Flirts with the edge when it comes to laws and the Code of Ethics
- Old school, but effective with marketing
- Well connect – spouse is a divorce lawyer
- Prefers the phone, but will email
- Objective is to sell client her / his listings to get both sides – even if it doesn’t make sense for the clients
- ‘Pockets’ listings for a while to field some buyers and get extra business
- Convinces clients she / he knows what’s best for them and minimizes material issues
- Works with a variety of lenders that can get the job done – some not above board
- Anything to get it done – even if rates and fees not best for client

PROFILE OF LISTING AGENT: Christie or Cameron

- Younger professional
- Committed to learning as much as possible about representing clients in a legal and ethical manner
- Very consultative and responsive to clients
- No drama approach to business
- Comfortable with technology
- Primarily uses email and text
- Has a team of other agents with their same values
- Has lived in the area since childhood
- Great network of family, friends and business associates
- Most of her / his clients are repeat of referrals
- Not push with clients
- Great attention to detail and due diligence throughout the transaction
- Has two children in grade-school
- Parents live in the area
- Spouse is moving up the corporate ladder in a tax accounting firm and works long hours

FIELD SCENARIO 3: Buyer Agent and Listing Agent – Buyer’s Market (*continued*)

Your Story -- The Listing Agent: Christie or Cameron

- Balanced business of both buyers and sellers.
- This property has created more drama than necessary.
- Sellers – Martin and Marilyn – are empty nesters and were referred from one of your spouse’s business colleagues.
- They want to sell this property – which is near the golf course – and relocate to a more temperate climate down south.
- They will use an agent that you recommend to buy.
- They will need professionals to pack and move them and this has been quoted at \$24,000.
- You listed the property at the high end commission range of 5.5% and you would take 3% due to the amount of high level marketing and upfront costs to showcase the property.
- This was fine until the property lingered on the market.
- You finally got the sellers – Martin and Marilyn – to agree to a price adjustment, but it’s still overpriced and should be on the market for no more than \$1M.
- You try a new tactic to get more attention for the listing by reducing the list side and increasing the co-broke fee to 3.25%.
- Martin and Marilyn are becoming the clients from hell. They don’t care what the market is like or what other properties are worth – they know theirs is better and believe that \$1M is more than fair.
- They will not cash out at less than \$990,000 unless you ‘chip in’.
- They are starting to question your ability to sell their property and are dropped hints to their friend at the tax accounting firm that maybe you are not the right agent for them.
- Your parent decide to take a cross-country tour with friends for a month so now your childcare options are in jeopardy.
- For the sake of your spouse’s future at the firm and your own sanity – you need to sell this property **NOW!**
- The showing have been sparse and the market has a limited pool of buyers in this price range.
- Fortunately, there was a recent showing from that nasty agent – Shirley / Sam.
- You have a voicemail from Shirley / Sam wanting to “chat” with you about the listing.