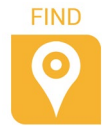
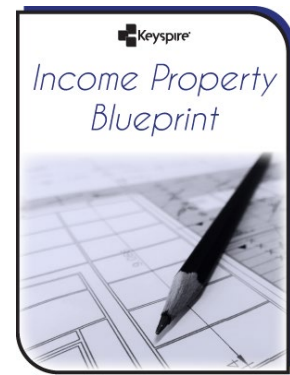


Module 1 – Lesson 13

The Delegator Method - Select Your Real Estate Agent



Week 13



When looking for a property, a real estate agent is an invaluable member of your team! Looking for properties and deals can be time consuming so delegating this important task to a professional can get you to your next property so much faster!

An experienced real estate agent can provide the following services for your real estate business:

- Facilitate property purchase and sales including creation of all offer documents and conditional clauses
- Competitively negotiate a property offer or sale
- Provide access to exclusive or “pocket listing” properties not available on the MLS
- Prepare a Comparable Market Analysis (CMA) to establish fair market value or After Repair Value (ARV)
- Make connections to other Service Providers such as contractors and property inspectors



You might not need to ask all of these questions when qualifying a real estate agent. Do some of your research online to see what you can learn before you interview them.

1. Qualify a Real Estate Agent

Use these questions to help you qualify a real estate agent to ensure your investment property search aligns with your Investor Profile.

1. Are you a full-time real estate agent? What are your regular hours of operation? Do you have someone to cover your business if you are away or at capacity?

Real estate transactions occur every day of the week and offers are often made on evenings and weekends. It's important to work with a full-time real estate agent who is ready to move quickly on your behalf. If the agent isn't part of a team, ensure they have coverage while they are away or you may risk losing out on an investment opportunity.

2. Which geographical areas do you service? How long have you been working in this area?

Real estate agents are generally affiliated with a specific real estate association or board which covers a specific geographical area. Certain real estate agents also specialize in certain markets or neighbourhoods. Be sure the agent you choose focuses on and understands the metrics of your chosen market.

3. Can you tell me about your educational background and experience in the industry?

Experience and longevity in the industry are key. Be wary of a new real estate agent who is learning for the first time with you as their test case. You want to onboard an agent who has a lot of experience specifically with investors and investment properties. It's also a bonus if your real estate agent is an investor and has a portfolio of successful properties. Be wary of hiring an agent who is new to the industry or who doesn't have investing experience.

4. Are you a real estate investor? If yes, what type of real estate investments do you participate in?

Your real estate agent does not have to be an investor, but it's definitely an asset if they are. An agent who also invests is uniquely positioned to understand the market in ways a non-investor wouldn't understand. If your agent isn't an investor, ask why not as their answer may reveal a lot about their investor mindset.

5. If I work with you, will you expect me to sign a buyer's agent agreement?

Some real estate agents will try to commit buyers to signing a Buyer Representation Agreement immediately. It is not mandatory for you to sign this agreement, especially if you are just beginning to develop the relationship and haven't fully committed to working exclusively with this real estate agent. Look for an agent who understands this agreement is a sign of trust. Instead of signing a blanket Buyer's Representation Agreement that is vague with a long timeline, look to sign one with an agent specific to the property you are offering on, the specific neighbourhood you are focussing on, and is specific to a shorter timeline. The agreement can always be expanded or extended as your relationship grows.

6. What is the median property price in this area? What are the average rental rates?

These should be statistics that your real estate agent is very familiar with and can cite almost immediately. Your agent should also be able to clearly outline how average/median prices and rental rates differ by neighbourhood and property type since most can vary greatly due to microeconomic factors.

7. What type of properties do you represent/specialize in?

There are various areas a real estate agent can specialize in including single family homes, multi-family, commercial, new construction, condos, etc. Look for a real estate agent who has successfully sold or worked with a number of buyers in the property type(s) you plan to focus on. If you are interested in larger multi-family or commercial properties, it's important to work with an agent who understands the process as the purchase and sale process is much more complicated than on single-family homes.

8. Which investing strategies are working well right now in this market?

Knowing that your real estate agent understands investing strategies and can help you understand which ones are being implemented successfully is key to knowing your agent is investor-savvy. Your agent should be able to outline why a strategy is or isn't currently working. For example, if the market is in the slump phase of the real estate cycle, the agent shouldn't be advocating Flipping without clear data to support it.

9. How has the local market been performing in the past 6 months? What do you anticipate will occur locally in the next 6 months?

This is your agent's opportunity to show their knowledge and resources. Look for an agent who can speak to recent trends, infrastructure, and development growth. This is also where you should hear details about average property price growth, available inventory, average rental rates, and local cap rates. The agent should also be able to highlight areas that are not performing well, those that are gentrifying, those that are overpriced, and in each instance should be able to explain why and provide data to support their position.

10. What systems do you have in place to help me evaluate investment properties and confirm the numbers provided by the seller during a transaction?

An investor-focused real estate agent should help you objectively evaluate an investment property and not simply encourage you take all information provided by the seller at face value. With their knowledge of the market, your agent should be able to help you independently verify market rents, average expenses, claims of legal status, etc.

11. Can you set up a listing alert search for me so I can receive email/text notifications of new listings that align with my Investor Profile?

Real estate agents can create an automated search that informs you immediately when new properties are listed within set search parameters. This should be a standard service that your agent offers right away and can be tailored to your budget, preferred property type(s), location, and requirements.

12. Do you have access to investment property pocket listings (exclusive listings)? If so, how many on average do you get per year and how can I get access to these?

Many investment properties are not listed on the MLS; instead, they are sold through real estate agent networks as pocket or exclusive listings. If your real estate agent has access to these, find out how you can access them so you don't miss out.

13. Are you familiar with commonly used real estate investing strategies including double offer, red herring clause, vendor take backs, and cash back at closing?

Investor-focused real estate agents should be familiar and comfortable with a number of commonly used investor strategies. Look for an agent who can confidently apply creative offer strategies in your negotiations and add value to you as an expert in this area.

14. Can you provide me with introductions to local contractors, property managers, property inspectors, etc.?

Investor-focused real estate agents should have access to a large network of local service providers and be able to act as your quarterback throughout the transaction. When you receive an introduction, remember to qualify the service provider and complete your due diligence to ensure they align with your business values and goals. Use the other Keyspire qualifying scripts located on your Member Dashboard to assist you through the process.

15. Can you provide me with references to some of your real estate investor clients?

Be wary of businesses that don't want to share references. When checking references ask questions such as: Are you satisfied with their level of service? How long have you been a client? How have they helped you in your business? Is there anything you don't like about their service? Would you recommend them to your family, friends, and other real estate investors?

16. Is there anything else I should know about you or working with your company if we decide to proceed with this relationship?

Ideally this is the real estate agent's opportunity to add value to you, explain more about their services, and outline next steps for you to confirm the business relationship. Look for answers that appear genuine, are informative, aren't a heavy sales pitch, and don't appear scripted.

2. Set up automated real estate listings

Once you've qualified and selected your real estate agent, ask them to set up automated listings for properties that meet your search criteria. Here are some things you'll need to decide:

- What is your maximum property listing price? _____
- Which cities do you want included? _____
- How many bedrooms? _____
- How many bathrooms? _____
- Property type preference (detached, semi-detached, townhouse, etc.)?

- Any other important things to note (legal duplex, triplex, etc.)?

3. Share with the community!



Ask your community: What are your best tips for working with real estate agents?

For many of us, this is our Income Property Labs Facebook Group Community. To access the IPL members only Facebook group [CLICK HERE](#). Not a member of Income Property Labs? [CLICK HERE](#) to claim your 30-Day Free Trial!