

Real Estate Consulting

Consulting is another option available to you when selling or buying real estate. You typically don't pay your accountant a percentage of what you earn, nor do you pay your doctor a percentage of the cost of your heart for heart surgery. Along those lines, you can hire a real estate agent as a consultant, and pay for only those services you need (just like you pay an accountant or a doctor).

Mollie Wasserman, author of "Ripping the Roof Off Real Estate" (Gabriel Publications) cites two categories of skills for which you pay a real estate agent; "functional" and "fiduciary."

Functional tasks involve things like searching for homes, showing homes, creating ads for your home, doing open houses, and creating brochures. These are tasks that do not require as high a level of real estate industry skill or knowledge.

Fiduciary tasks involve strategy, such as evaluating the market, pricing homes, evaluating offers, crafting favorable offers and counteroffers on properties, understanding legal documents and legal language, analyzing inspections and appraisals, dealing with title issues, ensuring that contracts are prepared properly, and that critical deadlines are met in terms of due dates, etc. These tasks require high skill and an in-depth understanding of the industry.

Real estate consulting focuses on using the real estate agent's most valuable fiduciary skills to negotiate the sales price and detailed contract items, manage the transaction once under contract, and resolve potential title and inspection items effectively.

Following this model, you should be able to find an agent who is either willing to reduce their fees as a function of their having to do less work, or willing to do specific tasks for a fixed fee, or some combination of the two.

According to the National Association of Realtors' (NAR) "2005 Profile of Buyers and Sellers", sellers often complete some tasks without professional assistance but depend on real estate agents to assist with others. The tasks that sellers were most likely to complete without their agent's assistance were:

- Determining the listing price (21 percent)
- Attending closings (17 percent)
- Scheduling showings with prospective buyers (13 percent)
- Negotiating with buyers (13 percent)

Real estate agents and brokers provided the most assistance when:

- Reviewing sales contracts and offers (80 percent)
- Managing paperwork (80 percent)
- Entering the home on the multiple listing service (79 percent)
- Negotiating with buyers (79 percent)

Most buyers and sellers looking to save money on fees do so by completing the functional tasks themselves and leaving the fiduciary tasks to a skilled and experienced agent. Typically, only real estate consultants are willing to provide services this way and charge only for the services rendered.

At Barrett associates, we offer a full array of real estate consulting services.