

## Full Service REALTOR

A "full-service agent" is a term used in the industry to describe the real estate agent or REALTOR that provides a traditional, full-service marketing package at their own expense that should include:

- Agent's time in preparing your property for sale, marketing your property, staying current with market activity in your neighborhood, negotiating offers and counter-offers, and their fiduciary responsibility in bringing your transaction to the closing table once under contract — a lot of work
- Listing your property in one or more of the local Board of REALTORS® Multiple Listing Service (MLS) databases
- Posting a For-Sale sign in your yard with a brochure box
- Specialty signage (additional signage identifying prime attributes of property)
- Property brochures/flyers
- Reporting their sales prospecting activities to you
- Property photos and/or virtual tours
- Arranging Open Houses
- Online Advertising
- Classified Advertising
- Other — ask the agent what else they can suggest to better market your property?

The important thing here is to define the "scope of work" associated with the "full-service agent." Be sure to ask your prospective agent what he or she will do for you. How exactly will they market your home? If there are certain marketing tools that you expect them to use to market your home, make sure you're clear about your expectations — each agent uses different marketing methods, and may vary their approach house by house.

One reason that "full-service" agents receive full commissions is that they pay out-of-pocket for all of the marketing expenses for your house before it is sold. This creates two issues that a seller should understand:

1. First, the agent puts these marketing dollars at risk, in that you (the seller) may decide not to sell the home unless you receive a full-price offer (pricing will be discussed later). Depending upon the agreed-upon sales price, this could be a daunting task. If you decide to take your property off the market, then the agent has spent marketing dollars that will not be recovered.
2. The second reason relates to the first, but addresses the time value of money spent. The agent must first spend the money, and it will then take time to sell the property. Even in a good market, it may take ninety (90) days to sell your home at an attractive price (to you, the seller). Thus, even when successful, the agent wants to get back the marketing dollars they spent, plus get a fair return on that money (as it would have earned interest if it were sitting in the bank for those 90 days).

In essence, the agent earns a full commission because you (the seller) assume no risk in the marketing of your home. If you don't get the offer you want, you don't sell the property, and owe the agent nothing (or close to nothing — be aware that some agents still charge a small fixed fee for listing your home — even if it doesn't sell — check your agent's contract for this type of language).

In her book "Ripping the Roof Off Real Estate" (Gabriel Publications) Mollie Wasserman characterizes the full-commission sales scenario as one in which sellers are buying "insurance" when they agree to pay a full commission, because they transfer the sales and marketing risk from themselves to the real estate agent as described above. Of course, the full-service agent must charge a higher rate to recover monies lost on listings that did not sell. The agent lost that money, and must charge a little extra to try to make it back.

Another consideration when deciding whether to pursue a "Full-Service" representation alternative is to place a value on your own time. If you can earn more money focusing on your core employment and business opportunities, then you may be better off on doing so by "outsourcing" the entire real estate selling or buying process by retaining competent and professional representation.

In addition to our other real estate service alternatives, Barrett Associates provides "Full Service" REALTOR representation throughout the Denver metro area.