

# What Knowledge and Skills Should You Expect Your Real Estate Agent to Have?

Some people would say that real estate agents are overpaid, but that varies greatly with the agent. If your agent doesn't know what he's doing, he (or she) could cost you money, and your agent should pay you!

In 2014, NAR's "Danger Report" said the #1 threat to agents was the large number of untrained and/or incompetent colleagues.

Some skills are "hard" skills, such as how to set up searches on the MLS or write a contract, but even those hard skills typically require "soft skills" which can come from experience but, just as importantly, from the practice (and ethical requirement) of serving client over self.

Of course, representing sellers and representing buyers calls for different skills and knowledge, although there are some overlapping skills and knowledge.

**When representing sellers,** the most important skill is that of coming to agreement on the most *effective* listing price. To the seller, who has probably been watching neighborhood sales, there may be a price point which is *appropriate* based on relative condition and location, but it may not be the most *effective* price for going to market.

I'm not just talking about whether the market is rising or falling. And I'm not talking about what the home would appraise for. The most effective price is the one that will draw immediate interest from multiple buyers. Buyers invariably look at Zillow's "Zestimate" and will decide whether your home is overpriced or underpriced based on what

Zillow says — sad but true! Nevertheless, it's important to know.

We professionals recognize the influence of Zillow, but we consult other software and nearby sales of comparable homes when doing our "Comparative Market Analysis." Myself, I consult Realtist (an MLS app), Realtor Property Resource (available only to Realtors), and AT-TOM, a commercially available property valuation tool.

Knowing the value of a home is only the starting point. We need to assess the real estate market in that neighborhood, paying close attention to existing listings. It's important that the pricing of other listings helps to sell your home, rather than the pricing of your home helps to sell theirs.

However, the market is unpredictable. If the seller and his or her agent agree on an "effective" listing price but the home attracts few or no showings and no offers within a week, then the market is telling you that it's overpriced, assuming the home was put on the MLS and had other reasonable promotion, such as the kind we provide with this ad. The price should be reduced within a week or 10 days. Don't wait until the listing gets "stale."

Most real estate agents and buyers are familiar with the concept of MLS alerts. A buyer's search criteria are entered into the appropriate search fields on the MLS, and when a new listing matches that buyer's search criteria, he or she receives a computer-generated email alert from the MLS about it.

For example, my Twin Lakes listing, which is deep in the mountains,

120 miles from Denver, had 97 prospects who received an email alert about it when it went on the MLS. Last week's featured listing in Lone Tree triggered 230 alerts to buyers with matching search criteria. Not all listing agents know how to find and use that list of agents whose clients have received an alert about their listing.

What agents need to know (and exploit) is that every time there's a price reduction, as with the listing below, it triggers a new alert with the tag "Price Reduced." That's a powerful marketing tool, another reason to lower the price quickly and regularly, to remind buyers that this listing is still available and still matches their search criteria.

Because it's important for sellers and their listing agent to keep current on the MLS activity near their listing, I have made a practice of setting up an MLS alert around each of my listings and sending it to both my sellers and myself.

When my seller approved a price reduction on the Twin Lakes home, I changed the primary MLS picture to one that included the day and time of the open house so those buyers receiving the "price reduced" alert know about the open house, which is not otherwise mentioned in the alert itself. Here's that alert:

After the open house, I remove the photo with the open house info. That's an example of another skill (in this case, a practice) that a good agent might have.

**Note:** It's important for listing agents to *enter open houses on the MLS*. They are populated to Zillow and hundreds of other websites, and doing so draws far more visitors nowadays than the "open house" signs we put in the ground.

According to Georgetown Uni-

versity's School of Continuing Studies, "Soft skills are as almost as important as hard skills. In fact, they often define success more than expertise does." *Communication, active listening, social cues, negotiation, patience* and *tactfulness* are cited as the most crucial soft skills to have in real estate. Needless to say, they are not taught in real estate school or measured in the licensing exams!

**When representing buyers,** many of those same skills, practices and knowledge come into play for the good real estate agent. Once a buyer decides to make an offer on a listing, I use the same tools to determine its value and what my buyer should offer, paying attention to the sale of comparable homes.

I also look at the listing history of the property — days on market, price reductions, previous contracts that fell, and prior MLS listings by this or another agent. I have an app that can tell me about the seller, including what other homes they have purchased or sold. I can also evaluate the level of experience and therefore skill of the listing agent.

On ShowingTime, I can see whether there are other showings scheduled or whether the listing is sitting on the market. I also call the listing agent to see if they have other contracts expected or in hand. If a previous contract has fallen, I ask why it fell. I ask whether the seller has a preferred closing date or other things that would make them happy. (Furniture to sell? Post-closing occupancy needed?)

I also ask where the seller is moving to. If they're moving locally, I can mention that our moving truck is available free to them, along with free moving boxes and packing materials. If I learn that a bidding war is possible and they are moving locally, I might include free labor and gas along with the free truck in my buyer's contract. I might also insert an escalation clause indicating that the buyer will beat any competing offer.



## Broker Associate Austin Pottorff Specializes in Land

Personally, I prefer to work one-on-one with buyers and sellers, as do most of my broker associates. But Austin Pottorff is different. He loves to find owners of larger parcels of land and help them sell to one of his many buyers, some of whom are developers looking for sites to build multi-family neighborhoods.

Earlier this year, with a little help from me, Austin sold a commercial property here in Golden (Mountain Muffler, at 2200 Ford Street) to a developer. He currently has three land parcels under contract, one in Pleasant View, and two in Arvada, and he has two active

land listings — a veterinary hospital on three acres at 9251 N. Wadsworth Avenue for \$2,490,000 and adjacent parcels on the south frontage road of I-70 in Wheat Ridge totaling eight acres for \$6,000,000. Find them both online at [www.GRElistings.com](http://www.GRElistings.com).

If you have land you'd like to sell or are looking to buy land, call Austin at 970-281-9071, or email [Austin@GoldenRealEstate.com](mailto:Austin@GoldenRealEstate.com).

Austin's fellow associates and I are impressed at the quality of his work identifying such land opportunities and even creating aerial videos of them as part of his marketing strategy.

**GOLDEN REAL ESTATE**

Hometown Service Delivered with Integrity  
Promoting and Modeling Environmental Responsibility

**Jim Smith**  
Broker/Owner, 303-525-1851  
[Jim@GoldenRealEstate.com](http://Jim@GoldenRealEstate.com)  
1214 Washington Ave., Golden

**Broker Associates:**  
JIM SWANSON, 303-929-2727  
CHUCK BROWN, 303-885-7855  
DAVID DLUGASCH, 303-908-4835  
GREG KRAFT, 720-353-1922  
AUSTIN POTTORFF, 970-281-9071  
KATHY JONKE, 303-990-7428

**In-house Lender: WENDY RENEE, 303-868-1903**

**Golden Real Estate lists and sells residential properties across the entire metro area.**