

# Frequently Asked Questions About The FLAT FEE Concept



When you offer services that are very different than the traditional or normal services, many questions are asked.

The public may not understand and therefore be afraid of a new concept.

Competitors may inadvertently make wrong or misleading comments about a new concept.

We at FLAT FEE have created the following Frequently Asked Questions and Answers brochure to help you make informed decisions about selling your home.

## Why did you open FLAT FEE REALTY ?

We opened **Flat Fee Realty** because we knew that the public were demanding changes that the traditional companies could not or would not offer. Even though commission rates are not fixed by law, we wanted to offer the same **FULL SERVICE** that most companies charge 5% and 6% for, at only **3.75%** maximum. We also wanted to offer the do it your selfer the option of listing their home for an up front flat fee. All listings would be on the MLS® System of the Ottawa Real Estate Board.

## Do you follow the same rules and regulations ?

**YES.** We follow the same rules and regulations as all other real estate companies. All real estate companies and their sales representatives are governed by the Real Estate and Business Brokers Act, as well as the Real Estate Council of Ontario's (RECO) code of ethics. We are members of the Ontario Real Estate Association and the Canadian Real Estate Association.

## Are Listings on the local board's system?

**YES.** All the homes we list for sale go on the MLS® System of the Ottawa Real Estate Board, unless otherwise instructed by the Seller. They are also listed on **REALTOR.ca**, **Flat Fee Realty's** web site, and your **Sales Representative** personal web site.

## Do you advertise?

**YES.** Most all Sales Representatives are independent contractors working under different company names. It is the individual Sales Representative and not the company that makes the decision how and when to advertise. With today's buyers knowledge and their access to the MLS® System of the Ottawa Real Estate Board where most all listings are posted, we find advertising mainly promotes the Sales Representative and or their company and not the property. Serious buyers continually scan the MLS® System of the Ottawa Real Estate Board and either call the listing Sales Representative or their own Sales Representative to see the property.

## Do you do Open Houses?

**YES.** We hold public open houses. In fact, where permitted, we even allow home owners to hold their own open houses. You see, we really have stepped out of the real estate "box" and looked at this business differently.

We have found that many homeowners wanted to participate in the sale of their home if it could save them more money. We looked closely at the real estate rules and regulations and found that there is nothing preventing a homeowner from conducting open houses or showing their own home to the buying public. We created a program which provides our clients the ability to hold their own open houses. Significant savings are available if homeowners are able to find a buyer for their home, **thus we say 3.75% or less.**

## **How can you provide your services so much cheaper?**

This is a very important question, as many people may feel that we must cut corners in order to reduce our fees. **This is just not true.**

We have set our real estate organization up differently than the traditional real estate organizations. Where others have large staffed offices to carry, we are much more streamlined and efficient. Others typically have Broker/Owner or teams that makes his/her living from the fees charged. Our Broker/Owners are Sales Representatives as well and actually earn their living through selling homes.

## **Why do other Sales Representatives not offer their services at lower fees?**

As the last answer indicated, the majority of the other Sales Representatives cannot or will not offer the same services for the fees that we charge. They usually are paying large fees to their Brokerages and to their support teams and assistants. Their companies may have office policies that dictate what they can and cannot do. Also remember that after collecting 5% and 6% commissions for so many years, they just may not want to charge less when the public have been willing to pay more.

## **Do you pay other Sales Representatives a selling commission?**

**YES.** There is no exact stated selling commission and this is one of the truly unique features about our company. We allow the Seller to decide how much is offered to the other Broker/Sales Representative. We strongly recommend that the fee offered be equivalent to the standard in your area (in Ottawa 2% to 2.5% seems to be the norm).

## **Do other Sales Representatives show your listings?**

**Absolutely!** We could not sell the number of homes we sell without the co-operation of all other Sales Representatives. In this day of computers and the internet the public are much more informed than ever. They often tell their Sales Representative what homes they want to see because they have seen them on the MLS® System of the Ottawa Real Estate Board. If for any reason their Sales Representative was to tell them they do not want to show them a home, not only would that be against the Sales Representative code of ethics, but the buyer would go to the listing agent. If your home is listed, I guaranty you that it will be viewed by all buyers. Buyers do not care who offers the listing, why would they. Buyers only care if they can see the listed property and potentially buy it if it meets their needs.

## **What's the catch?**

**There is no catch.** We actually get asked this all the time, and there truly is no catch to our real estate services! Certain conditions do not have to occur to take advantage of our low **3.75% or less** commission fee charged. You do not have to commit to buying another home with us. Once your home is listed, all Sales Representatives and buyers will be anxious to view your home and possibly buy it if it meets their needs. Did you know that most all sales involve two different real estate companies?

**Barry Humphrey** is an **Experienced Real Estate Sales Representative** and has been selling homes and investment properties in Ottawa and surrounding areas since 1984.

# AVOID THE TRAPS

If you are like most people your home is your largest and most valuable asset. When it comes time to consider selling this asset, you want to maximize your return by selling your home for the absolute most money possible and that involves saving any commission you can on that sale.

Many homeowners fall into one or more listing traps. These traps could cost the homeowner thousands of dollars. The following information has been created to warn you of the most common traps and to provide you with logical facts that will allow you to make informed decisions as to how to sell your home and keep as much of your equity as possible.

## **Trap # 1 : Listing your home with a non member Sales Representative or exclusively.**

Listing your home with a non-member of the local real estate board or exclusively severely limits the number of buyers that are exposed to your home. Though both of these methods can be successful, they typically result in a slower sale and typically for less money. Almost every real estate board across Canada uploads it's listings onto **REALTOR.ca**, a national web site that allows buyers from around the world to search out what is for sale on the Canadian real estate market.

## **Trap # 2 : Listing your home with a Sales Representative that quotes the highest list.**

This is the trap that most home owners fall into. They feel that if they list their house for more money they can sell it for more. We hear this all the time “ you can always come down, it is hard to go up.” Although this comment is true, it can also hurt the homeowner. The list price of your home is the most important component to getting your home sold. A home that is priced right and exposed to the market will more than likely sell. You need to work closely with your Sales Representative to set the correct list price of your home and be sure the price can be justified. You have the ultimate power to decide what your home is listed for, but be sure to base that decision on facts and not emotions. Over pricing can cause you to end up getting less for your home than if it had been priced correctly to begin with.

## **Trap # 3 : Feeling you have lots of time to sell your home.**

When a buyer finds a home that they have interest in they almost always ask; “How long has the home been listed for?” The answer to this question decides their offer strategy. With a home that has been on the market for months they consider why no other buyer have wanted the home and how low they should offer. With a home that just came on the market, they usually worry more about getting the home before someone else does. Although you may have plenty of time on your side to sell your home, avoid listing your home too high.

#### **Trap # 4 : Choosing a Sales Representative based on company market share.**

A company's market share is directly related to the number of Sales Representatives in that office and not the individual Sales Representative's performance. If a company has 30% of the sales representatives working for them in an area, then they likely have 30% of the market share in sales as well. Ask the sales representative to tell you of their personal experience. After all you are not hiring the company to sell your home, you are hiring the Sales Representative.

#### **Trap # 5: Choosing a Sales Representative that claims they can "do more".**

It is a myth that one Sales Representative can do something that another Sales Representative cannot do to sell a home. Many Sales Representatives tell you they will provide you with effective listing features to convince you they are worth the extra commission fee they are charging. Have you ever heard of a home going on the market and it sells within a week or so? There was no magic performed by the Sales Representative, they just listed the home and marketed it properly. Most likely it was sold by a co-operating sales representative, thus you paid a lot of extra commission for no reason.

#### **Trap # 6: Listing your home with a Sales Representative that charges 5% or 6%.**

In our opinion, the services of a Sales Representative are just not worth 5% or 6% of the selling value of your home. After all,

- 1) if an Experienced Sales Representative can provide you with accurate information to assist you in pricing your home correctly,
- 2) list your home and expose your home to all other Sales Representatives and buyers,
- 3) offer you all the other marketing features that other Sales Representatives may provide,
- 4) and offer all this service for less commission,

**Why would you list your home with anyone else and give up thousands of dollars of your equity ?**

**LIST YOUR HOME WITH  
www.FLAT FEE REALTY OTTAWA .ca  
AND \*SAVE YOUR MONEY!**

Savings based on a hypothetical 5% or 6% commission

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