

All commission is negotiable. The below examples are hypothetical situations and the arrangements are not set in stone.

Example A: The Way Most Realtors Work

On the sale of a \$300,000 home, a 6 percent commission is \$18,000. Typically the listing broker gets 3 percent and gives the remaining 3 percent to the selling broker. The listing agent gets a percentage of the 3 percent. For argument sake, let's say the agent's split with his broker is 70/30. So in this case, the listing broker is getting 3 percent, or \$9,000 and the listing agent will be getting seventy percent from that -- or \$6,300.

What if your home was actually worth \$310,000? After the commission, you'd get an extra \$9,400 in your pocket --- but the listing agent's additional share would only be \$210 for a new total of \$6,510. If the listing agent only makes \$210 to get you an extra \$9400 something is wrong! Listing agents are human and not many are going to go that extra mile for a mere \$210. To combat this lack of incentive, I have developed a commission structure that assures you that I'll do my best to get you the maximum market value for your property.

The key to this is setting the right price for your home. I will work with you to determine what the current market is and what you can realistically expect to get for your home. The reason you hire a Realtor is not just to put your listing on the Multiple Listing Service – it is to have access to the expertise of a professional. I cannot stress how important it is to setting the price right. This is a very important step and is one of the main factors that will determine if your property sells or not.

Once we have determined the right price, I will do my best to get you what you asked for. As stated above, I have developed a commission structure to assure you that I'll have the incentive to do my best!

Example B: The Way I Work

Let's say that we have determined your home is currently worth \$300,000 and for the sake of argument, you have agreed to list it with me for a 6 percent commission. I will not take a commission if you do not get at least 95 percent of your asking price, which would be \$291,000.

You may say to yourself – he can always undervalue my home and feel safe that I'll get 95 percent of the asking price. There are two reasons I will not do that – The first is that my business is largely referral based and I would be out of business soon if I were to misrepresent clients. The second is that I'm so sure that I will price your home correctly so that often times you end up with more than one offer and once in a while, even offers above your asking price.

Now you may be asking “why would Bob care about offers above the asking price if he'll only make a \$210 dollars more per \$10,000?” Well, I have developed another incentive. For every thousand dollars above asking price, I will earn an additional \$100 above our agreed upon commission. So if your home sold for \$310,000 as in example A, I would

make an additional \$1000 while you made an additional \$9000. Doesn't this example seem like our incentives are aligned?

Of course, all of this is negotiable. I know once I explain it to you that you will see that my method is sound and that together we'll get your home sold quickly and for a great price!

To take part in this type of arrangement, you would have to do a couple things.

- Hire an independent appraiser on your behalf to access the real market value.
- Hire an independent inspector to inspect your home.
- Third, hire a professional staging company to stage your home for showing.

Please contact me today so that we can discuss this.

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