Kim Novak, Real Estate Broker
ABR, CRS, CSP, GRI, ePRO, SRES, BSBA
Member ERC, eRelocation Professional
Member IREM, NAR Realtors® Commercial Alliance
Candidate member of the CCIM Institute, pursuing the CCIM Designation

RE/MAX Masters ... Offices in Salt Lake City & Layton
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Direct: (801)726-1443 Toll Free: (800)977-7835 Fax: (866) 541-2392

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Novak Sales & Marketing Plan

YES, your home will sell!

Step 1 ... "Admit that it is a Buyer's Market"

Step 2 ... "Price Your Home to Sell and Plan on Negotiating"

Step 3 ... "Target Realtors® Working with Ready, Willing and Able Buyers"

Step 4 ... "Make Waves and Just Say No to the Status Quo"

Step 5 ... "An Incentive for Everyone a.k.a. Show Me The Money"

Step 1 … Admit that it is a Buyer's Market … I have spent a great deal of time analyzing what is happening in our ***local*** real estate market. Here is a summary of my research based on MLS data, discussions with other agents and the feedback I've received from my own buyer clientele.

1. Buyers absolutely will NOT buy a home right now unless the BUYER feels that it is an UNBELIEVABLY PHENOMENAL "deal".
2. Buyers EXPECT sellers to pay their closing costs which are calculated at 3% of the purchase price.
3. Buyers will WALK AWAY from any seller counteroffers that in any way indicate that the seller is trying to control the terms of the sale.
4. Every day that a home is on the market DECREASES its value. The buyer perception is that the seller is out of touch with the reality of the current real estate market.
5. Buyers will NOT waste their time making offers on overpriced homes, hoping to "educate" the seller that it is a BUYER'S MARKET. There are too many homes to choose from.
6. If a home is not under contract right now, it is only HELPING SELL OTHER HOMES, because buyers are comparing it to the one that the buyer perceives is the "better deal".

Based on this assessment, I have developed a Sales & Marketing Plan that has proven successful in all price ranges which incorporates strategic pricing, a call to action, extensive market penetration and financial incentives. Step 2 to follow.

Step 2 … Price Your Home to Sell … When I prepare my pre-listing market evaluation for my clients, I assess the "current" market value using the following criteria:

1. I use sold comparables no older than 120 days, the more recent the better, and then adjust for the appreciation/depreciation rate for the most recent quarterly statistics for the community. Since distressed sales (short sales and foreclosures) are so prevalent right now, I incorporate these comparables according to their percentage of the market.

2. The best comparables are those within the same neighborhood, even if the home is a different style or size. I start with those on the street and move out from there, but stay within the boundaries of major the thoroughfares or geological features (mountains, rivers, lakes). Other factors I consider are schools, zip codes and cities.

3. I pay very close attention to the features and amenities that a home has before using it as a comparable. There is an exaggerated bias in the market right now, because there is such an oversupply of homes, for things such as central air, master bathrooms with double sinks and privacy toilet, main or bedroom level laundry, granite countertops in the kitchen, gas ranges, tile or hardwood floors, fully fenced yards, automatic sprinkler systems (preferably connected to secondary or pressurized irrigation water), oversized (minimum 2-car) garages, RV parking, south

or west facing homes (the exception to this are view lots on the benches, in which case north and east facing homes are preferred). Any home that does not have the majority of these features and amenities will need to be discount priced.

4. Once I determine the market value, I then add in the average list to sales price percentage, for the community, for the previous three months, to determine the list price.

Plan on Negotiating - the average list to sales price (97% for Salt Lake County, 98% for Weber and Davis) plus paying 3% toward the buyer's closing costs.

Steps to improve the value of your home ...

*If your home is older than 2003, new flooring, paint & appliances are a must.
*Almost everyone loves pets, almost no one loves someone else's, so eliminate as much evidence of Fluffy as you can.

*Complete a professional home inspection as soon as your home is on the market and make the repairs & maintenance items noted. This will eliminate the need to make appraisal required or buyer inspection repairs once your home is under contract.

*Provide the buyer with a one year home warranty after closing (+/- $400).

*The message that you send about your home begins at the front door. This is the point from which your "curb appeal" emanates. Paint it, decorate it and, for goodness sake, make sure the key works - easily. There's nothing worse having an agent trying to show your home and struggling with the lock and key, fighting to get in to show your home. And my greatest pet peeve ... agents who put the keybox in a flower bed with sprinklers or on the gas meter on the side of the house buried in a foot of snow. Keep the walk ways clear and put the keybox in a place where an agent or a client, in her real-estate-agent-finest and spike heels, can gracefully access it.

Step 3 ... "Target Realtors® Working with Ready, Willing and Able Buyers" ... The MLS remarks section is ground zero for distinguishing my client's homes from the hundreds of others on the market. Trite descriptions are ineffective and puffery is simply annoying to other agents when it is in the MLS. This is the place where I have the opportunity to tell other agents why my client's home should "make the cut" when they are screening houses to show their buyers. The printout from the MLS, with these remarks, frequently makes its way into the hands of the buyers, too.

The "call to action" for buyers lies in believing that the seller is motivated and negotiable. Buyers absolutely will not buy a home right now unless the BUYER feels that it is an UNBELIEVABLY PHENOMENAL "deal".

Remarks Section only on the MLS - this is where buyer agents are actively working with qualified buyers.
Include as much personal property (not as "negotiable") as possible: Refrigerator, Washer, Dryer, Lawnmower, Snowblower

*Offer to pay up to 3% toward buyer's closing costs.
*Offer the buyer a $375 one-year home warranty ... this also covers you during the listing period.

*Green Sticker & service the furnace and water heater, if not already done (+/- $150). This will save you money in the long run by eliminating the buyers' and appraiser's request for repairs once under contract.
Complete a professional home inspection and offer this to the buyer (+/-$275). This will also save you money by eliminating the buyers' and appraiser's request for repairs once under contract.

This is a painful time for sellers, but homes *are* selling. Hopefully, you are able to take financial advantage of these same market conditions during your price negotiations on your new home.

Step 4 ... "Make Waves and Just Say No to the Status Quo" ... I recently told my home seller clients that "desperate times call for drastic measures" and asked that they make some difficult financial decisions in order to sell their homes. My commitment to them is to position their homes as "the next one sold" through a distinctive and innovative advertising and marketing plan.

All of my advertising includes the following:

*Address of the Home, Price, "Vital Statistics" - bedrooms, bathrooms, square footage, etc., and the MLS number since there is a public access site of our Realtor® MLS. My advertising is designed to market my client's home, not to try to attract more clients for myself; to call buyers to action by providing the critical information needed to compel them to act (purchase).

*Internet - This is the premiere place to market real estate. And just like in SEO (search engine optimization), it's primarily about relevant content, lots of it, in order for a buyer to "find" my listings. In all of my online advertising, I max out content - photos, links, text descriptions. I not only write about the features of the home, but also elaborate on the neighborhood, schools, community and points of interest.

*Virtual Tours - I create a virtual walk through with professional still photos and panoramas that include detailed descriptions instead of using the distorted, 360 degree tours that are common (I get motion sick easily). I also post a photo album online with additional photos - the good, the bad and the ugly - and information that only a motivated buyer could love: pictures of the furnace, water heater, kitchen appliances, inside closets, the garage and storage sheds, the laundry room, etc.

*Homes Magazines - Now that the average number of days on the market has almost doubled (up 76%) YTD 2007 vs. 2008, advertising in these monthly periodicals has become effective again. As an added bonus, these magazines have companion websites. I advertise in the Utah Homefinder Magazine distributed in the newspaper, Homes Illustrated Magazine and Homes.com

Magazine - both the Salt Lake and Ogden editions, which are sent out in Chamber of Commerce and Realtor® relocation packages. In-state moves along the Wasatch Front are on the rise, even more so now with the FrontRunner commuter train and Legacy Parkway (both inaugurated in 2008). These magazines featuring my client's homes, reach potential homebuyers throughout Salt Lake, Davis, Weber, Morgan & Box Elder Counties.

*Open Houses - Come on, this is 2009 and 10 years since Al Gore took credit for creating the internet. Qualified buyers are not searching for their dream home on any given Saturday between noon and 2pm because they saw an ad in the newspaper. And why, for prudence sake, would you want to invite unescorted strangers in to your home anyway? I recently had a client who insisted that I provide advertising, directional signage, etc. so that they could hold their own open house and prove to me that I was wrong. After 4 hours of entertaining visiting neighbors, they agreed to the Marketing Strategy That Works ... Steps 1, 2 and 3.

Email - I use an email feedback request program to obtain and track agent and buyer comments and observations after showing my client's home. This system then allows me to send notifications to showing agents whenever the seller makes a change to their listing, such as price, terms or features and amenities offered.

Point of Sale - My goal is to capture the buyer's heart while inside my client's home. I summarize my sales and marketing strategy as follows ... "I represent you, the seller, solely as my client, but I must think like and market to the buyer in order to sell your home." The information that we can input into our MLS is very limited. To augment this, I create a Fact Sheet and New Homeowner's Book to have available for the buyer's agent to answer all of the inevitable questions that an interested buyer has: schools, bus stops, average utilities, taxes, how long has the home been on the market, age of the roof, furnace, water heater, etc., what does the seller love about the home and why are they moving.

Accessibility - mobile phone, 800 number, text, IM, email, Facebook. I do not delegate my relationship with my clients. No "showing desk" staff can possibly market a home that they have never seen when a buyer's agent calls to schedule a showing appointment. No "800 Number Information Service" sponsored by a lender can develop rapport with a potential buyer and compel them to see my client's home. No "transaction coordinator" maintains the depth of trust that has been cultivated with my client.

Step 5 ... "An Incentive for Everyone a.k.a. Show Me The Money" ... The fifth and final component of the Marketing Strategy That Works are incentives. This segment is short, sweet and to the point.

1. Buyer ... I offer a cash bonus to the buyer at closing, ranging from $250 to $2,000, depending on the price of the home.
Who is eligible:

~ Unrepresented buyers on the purchase of one of my listings.
~ Buyers who becomes my clients after I show them one of my listings.
~ My buyer clients who are Active Duty Military PCSing to Utah.
Who is not eligible:
~ Buyers represented by another real estate agent.
~ Buyers where a referral fee is due to another brokerage.
~ Buyers where a referral fee is due to a relocation company.
Ok, you're probably thinking, "so what does a buyer who DOES have an agent get?" Well, they should expect aggressive representation, by a professional buyer's agent, that dang sure better be negotiating to put their client in an equity position that exceeds $250 to $2,000.

2. Buyer's Agent ... From my standard commission program, I alter my "split" in the MLS from 50/50 to 55/45 in order to offer a bonus to the buyer's agent if the property is not under contract at the 90-day mark. I do this at no additional charge to the seller and with no strings attached for the buyer's agent (NO: "offers received by or closed by x,y,z dates," "full price offers only," etc.).

3. Seller ... Since my standard commission program includes a discount for the seller if another agent is not involved in the transaction, the seller saves on the real estate commission if a buyer takes advantage of the buyer bonus program noted in (1) above. I rarely enter into limited agency transactions, so the seller continues to receive my undivided representation from negotiation to closing.

4. Seller's Agent (that's me) ... I discount my brokerage's total commission 17% if another agent is not involved in the transaction. My compensation is reduced by 1/3, but I still manage both sides of the home sale - buyer and seller.

The Seller's best interests, as my client, are at the heart of my Sales & Marketing Plan. Although I am obligated to treat other agent's buyers or unrepresented buyers with honesty, fair dealing and good faith, my fiduciary responsibilities are to the seller. As an entrusted advisor to my clients, I assist them with achieving their real estate goals through professional representation, aggressive negotiation and protection of their equity & other financial interests.

At the core of my relationship with my clients are my fiduciary responsibilities of Loyalty, Obedience, Disclosure, Confidentiality, Reasonable Care & Diligence, and Accounting.

• Loyalty: To act at all times in the best interest of my clients and to put those interests above all others, including myself.
• Obedience: To obey promptly all lawful instructions of my clients.
• Disclosure: To disclose all known, relevant facts to my clients.
• Confidentiality: To safeguard my clients' secrets, unless keeping the confidence would violate disclosure requirements about the property's condition.
• Reasonable care and diligence: To diligently use real estate skills and knowledge when pursing my clients' affairs.

• Accounting: To account for all funds and property entrusted by my clients. As an entrusted advisor to my clients, I assist them with achieving their real estate goals through professional representation, aggressive negotiation and protection of their equity & other financial interests. At the core of my relationship with my clients are my fiduciary responsibilities of Loyalty, Obedience, Disclosure, Confidentiality, Reasonable Care & Diligence, and Accounting.
• Loyalty: To act at all times in the best interest of my clients and to put those interests above all others, including myself.
• Obedience: To obey promptly all lawful instructions of my clients.
• Disclosure: To disclose all known, relevant facts to my clients.
• Confidentiality: To safeguard my clients' secrets, unless keeping the confidence would violate disclosure requirements about the property's condition.
• Reasonable care and diligence: To diligently use real estate skills and knowledge when pursing my clients' affairs.
• Accounting: To account for all funds and property entrusted by my clients.

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