

# MODULE III: Buyer Orientation

Someone has just called, texted, instant messaged, or emailed and wants to buy a house...



# MODULE III: Buyer Orientation

2 things  
must  
happen  
before you  
show  
anything...



# MODULE III: Buyer Orientation

1. By Law,  
you must  
provide a  
Brokerage  
Disclosure to  
Buyer...





**Elevations Real Estate LLC**  
106 E Oak St  
Fort Collins, CO 80524  
Phone: 970-535-2000

The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission.  
(BD24-6-16) (Mandatory 1-17)

**DIFFERENT BROKERAGE RELATIONSHIPS ARE AVAILABLE WHICH INCLUDE SELLER AGENCY, BUYER AGENCY OR TRANSACTION-BROKERAGE.**

## **BROKERAGE DISCLOSURE TO BUYER**

### **DEFINITIONS OF WORKING RELATIONSHIPS**

**Seller's Agent:** A seller's agent works solely on behalf of the seller to promote the interests of the seller with the utmost good faith, loyalty and fidelity. The agent negotiates on behalf of and acts as an advocate for the seller. The seller's agent must disclose to potential buyers all adverse material facts actually known by the seller's agent about the property. A separate written listing agreement is required which sets forth the duties and obligations of the broker and the seller.

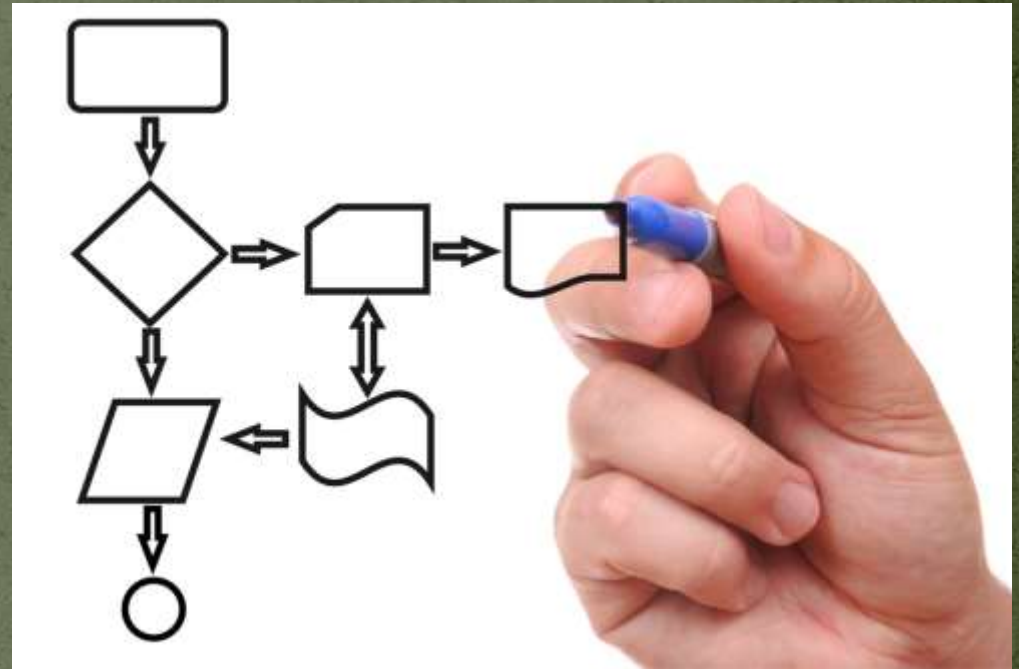
**Buyer's Agent:** A buyer's agent works solely on behalf of the buyer to promote the interests of the buyer with the utmost good faith, loyalty and fidelity. The agent negotiates on behalf of and acts as an advocate for the buyer. The buyer's agent must disclose to potential sellers all adverse material facts actually known by the buyer's agent, including the buyer's financial ability to perform the terms of the transaction and, if a residential property, whether the buyer intends to occupy the property. A separate written buyer agency agreement is required which sets forth the duties and obligations of the broker and the buyer.

**Transaction-Broker:** A transaction-broker assists the buyer or seller or both throughout a real estate transaction by performing terms of any written or oral agreement, fully informing the parties, presenting all offers and assisting the parties with any contracts, including the closing of the transaction, without being an agent or advocate for any of the parties. A transaction-broker must use reasonable skill and care in the performance of any oral or written agreement, and must make the same disclosures as agents about all adverse material facts actually known by the transaction-broker concerning a property or a buyer's financial ability to perform the terms of a transaction and, if a residential property, whether the buyer intends to occupy the property. No written agreement is required.

**Customer:** A customer is a party to a real estate transaction with whom the broker has no brokerage relationship because such party has not engaged or employed the broker, either as the party's agent or as the party's transaction-broker.

# MODULE III: Buyer Orientation

2. You MUST have a conversation about how the process works and find out how prepared they are to buy...



# MODULE III: Buyer Orientation

What to expect when you're looking to buy a home...



1. What's happening in the market right now?
2. What market are they coming from?
3. Why Buy?
4. What are the next step(s)?

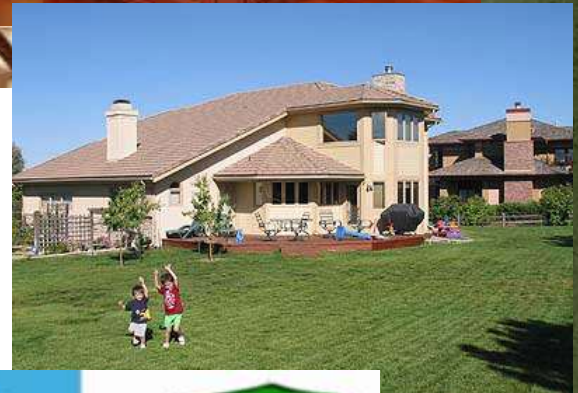
# MODULE III: Buyer Orientation

The Main  
Reasons  
REALTORS &  
Investors Buy  
Homes...



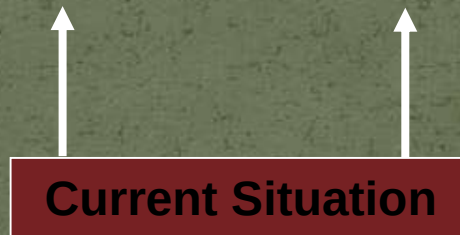
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The Main  
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People Buy  
Homes...



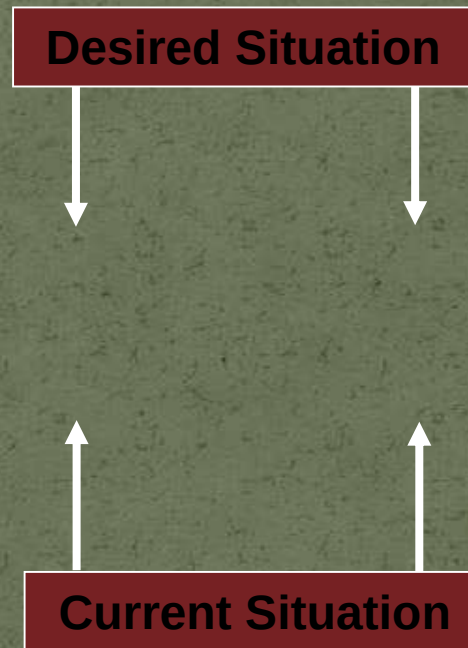
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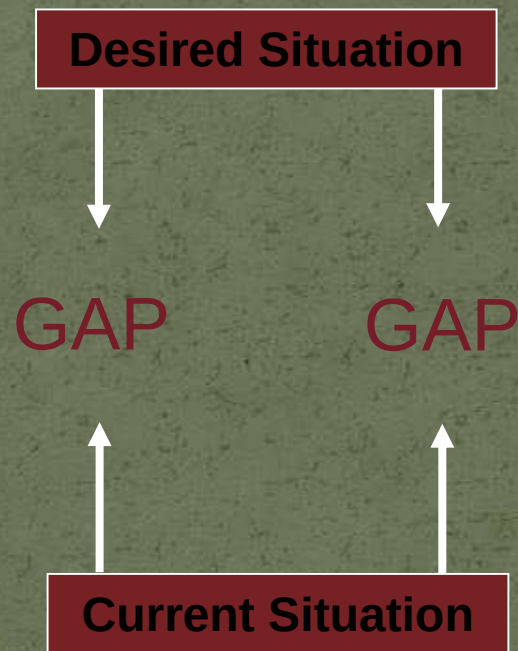


# MODULE III: Buyer Orientation

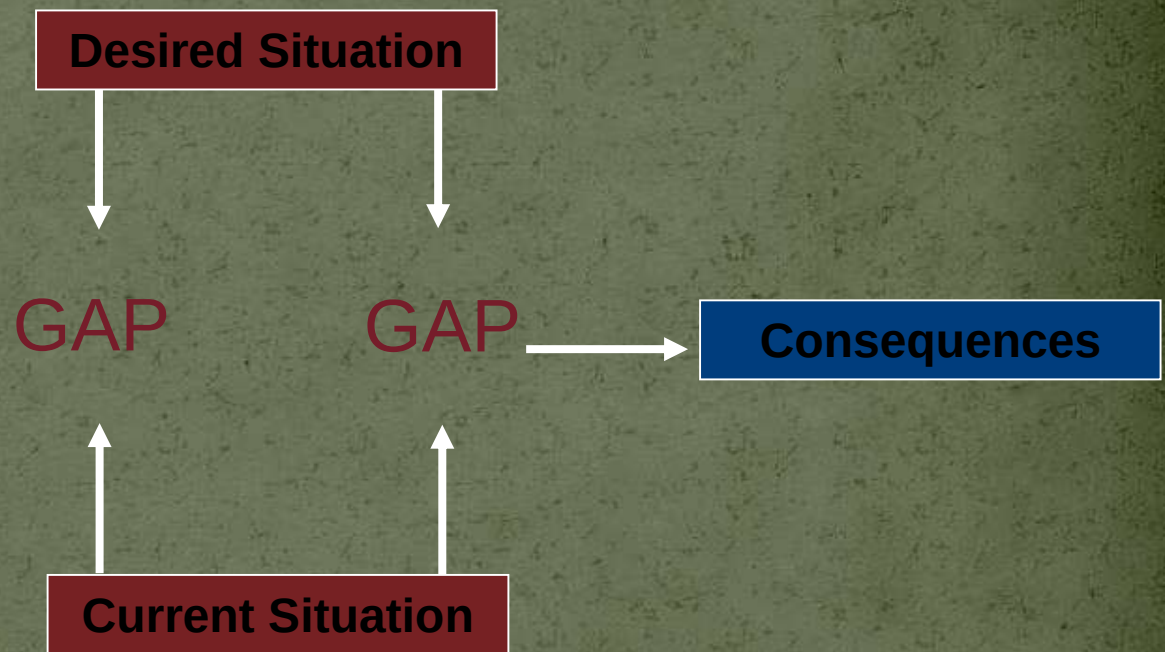
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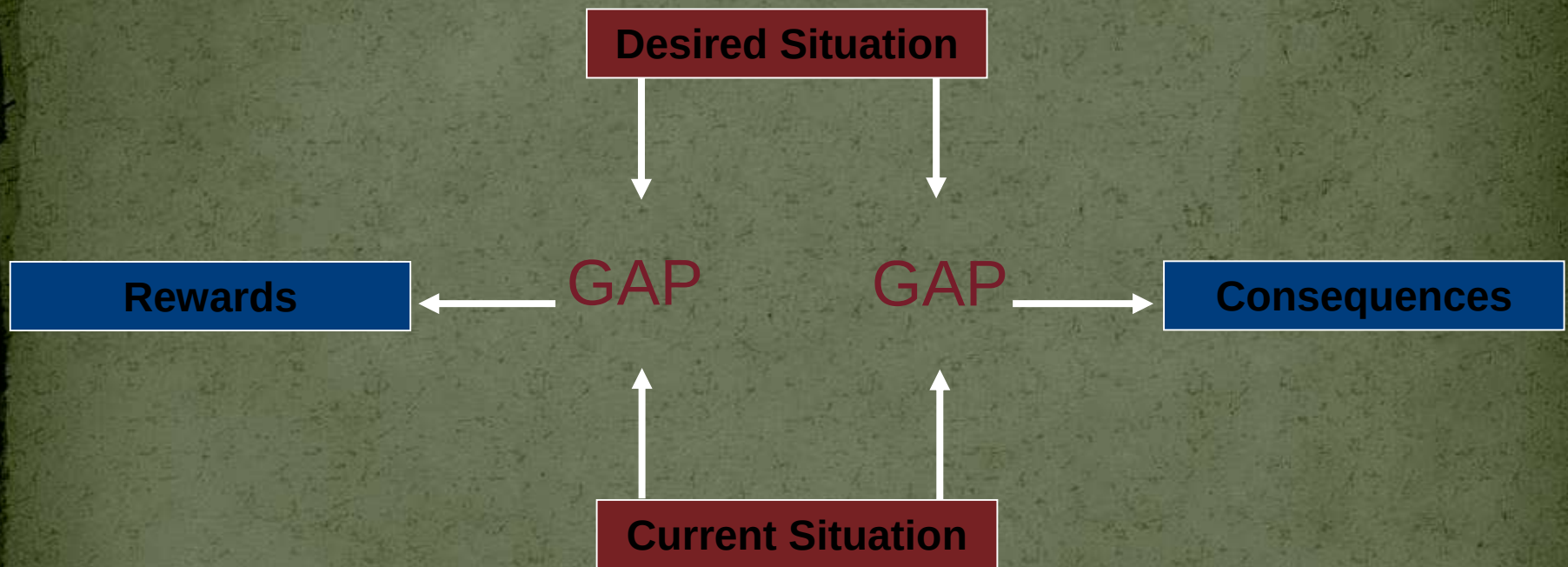
# MODULE III: Buyer Orientation



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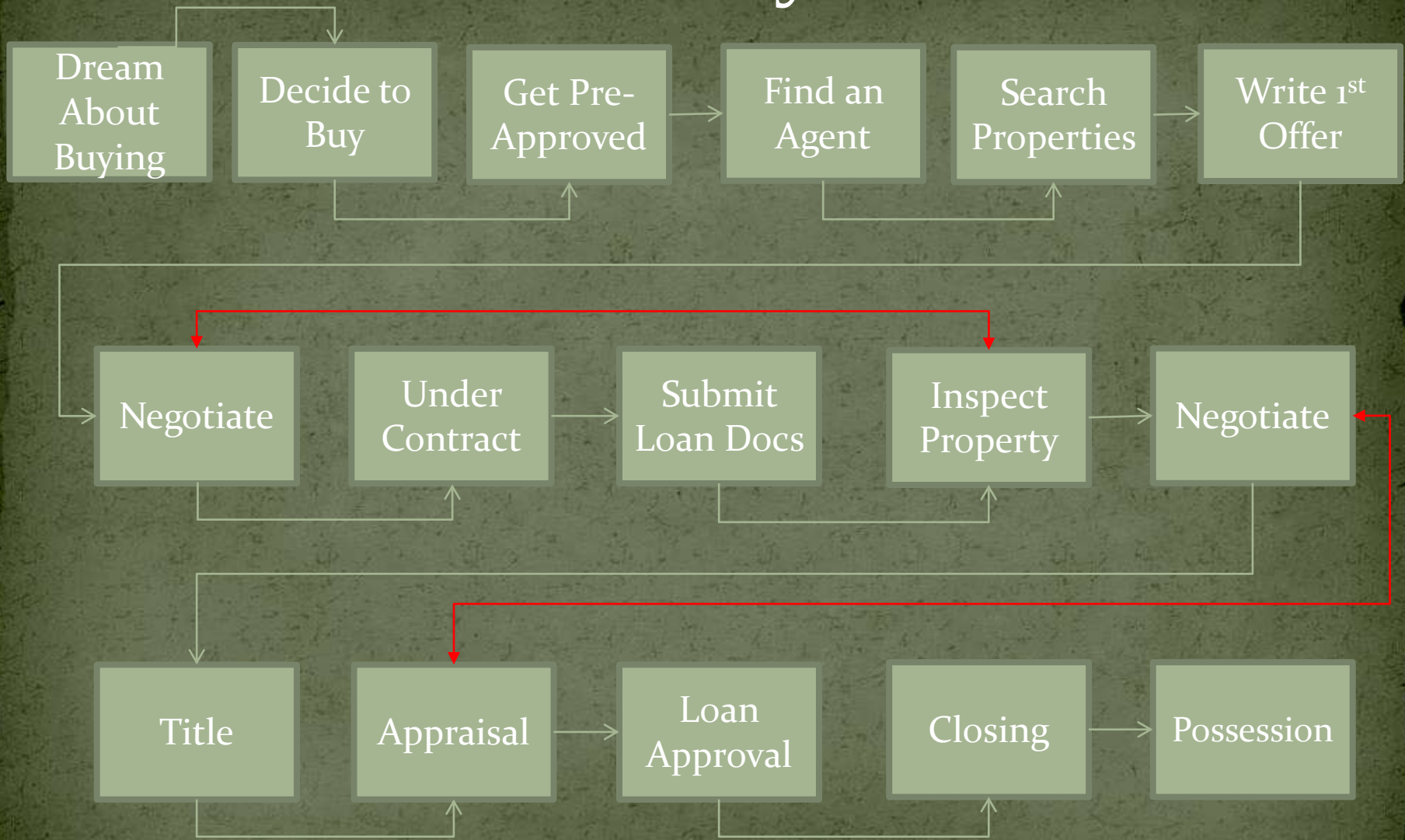
# MODULE III: Buyer Orientation

Home Buying  
Process....

Help buyers  
understand  
how the  
game is  
played.



# MODULE III: Buyer Orientation



# MODULE III: Buyer Orientation

What  
does  
“MLS”  
mean?



# MODULE III: Buyer Orientation

Now,  
about  
those  
FSBO's...



# MODULE III: Buyer Orientation

## Develop Your Own Home Search information questionnaire:

- What things are most important to you in a home?
- Are schools important? Which ones?
- Where do you want to live? Why?
- What style home do you prefer? Why?
- When do you want to move in? Why?
- How many bedrooms? Where? Why?
- How many toilets, showers, tubs?
- How many living areas?
- Where do you work?
- When is the best time to look at homes?
- If we found the perfect home today is there anything that would keep you from buying it?
- Is there anyone else involved in the decision making process?



# MODULE III: Buyer Orientation

## New Construction Questions...

“I can work with most builders and can get all the information you need to make any decisions but I will need to accompany you to the property on the initial visit.”



“By letting me help you with builders, you get all the services offered in this presentation and those offered by the builder as well. You’ll receive more – but you won’t pay more for it!”

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When you find the right house, how do you plan to pay for it...



# MODULE III: Buyer Orientation

## Basic financial oriented questions...

- Including taxes & insurance, what do you want your monthly payment to be?
- What price range are you thinking about?
- How much cash do you have for a down-payment?
- Are you currently renting? How much? When is your lease up?
- Do you currently own? Need to sell before buying?
- What's the unpaid balance on your current home? Do you have any pre-payment penalties or repayment restrictions?
- What's your credit score? Late pays?
- Monthly income? Spouse?
- Employed or Self-employed?
- Your or spouse ever file bankruptcy?
- Foreclosure or short sale in your past?

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Why get pre-approved before we showing property...



# MODULE III: Buyer Orientation

What a lender  
will likely ask  
for on an  
initial loan  
application  
inquiry...

- 2 years of previous addresses
- Gross monthly income
- W-2's or 1099's
- Proof of pensions, retirement, disability, SS
- Proof of income from rentals, investments, etc.
- Proof of child support/alimony paid or received
- Year-to-date pay stub
- If Self Employed: 2 years tax returns, P&L
- All creditors' information including account numbers, payments, and balances
- Child care expenses
- All banking institutions' account info and balances
- List of assets, stocks, bonds, land, life insurance, veteran certificate of eligibility, etc.

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## The Home Inspection process...



- Let's inspect while we look at property – but only if it is a house you think you're going to buy!
- An inspector mostly looks for what's wrong and can overlook what's right
- Consider the market as you consider repair requests
- Consider a Home Warranty

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Services and Benefits I provide as a Broker for Buyer...



- Comparative Market Analysis
- Estimated Costs of Purchase
- Access to any home that is currently listed
- Advocacy/Representation in the transaction
- Navigation of the process
- Negotiation skills
- Resources for lenders, inspectors, tradespersons, etc.

# MODULE III: Buyer Orientation

References  
and  
testimonials...



# MODULE III: Buyer Orientation

Let's talk about  
Representation...



# MODULE III: Buyer Orientation

## BROKERAGE DUTIES TO BUYER

### 17 Uniform Duties:

#### DUTIES OF CARE:

Broker must exercise reasonable skill and care:

1. Perform the terms of any written or oral agreements
2. Present all offers in a timely manner
3. Disclose adverse material facts known by Broker
4. Advise Buyer regarding the transaction
5. Advise Buyer to obtain expert advice
6. Account in a timely manner for all money/property
7. Keep Buyer fully informed about transaction

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## DUTIES OF CONFIDENTIALITY:

Brokers will not disclose without permission....

- 8. Buyer is willing to pay more or accept less
- 9. What Buyer's motivating factors are
- 10. Buyer will agree to alternate financing terms
- 11. Any material information about Buyer

## OBLIGATIONS OF SUPERVISING BROKER:

- 12. Client's info may be shared with Supervising Broker

# MODULE III: Buyer Orientation

## OBLIGATIONS TO MULTIPLE PARTIES:

13. Broker may show properties in which Buyer is interested to other prospective buyers without breaching any duty or obligation to Buyer. Broker is not prohibited from showing competing buyers the same property and from assisting competing buyers in attempting to purchase a particular property.

# MODULE III: Buyer Orientation

## DUTIES OF GOOD FAITH:

14. Broker is not obligated to seek other properties while Buyer is already a party to a contract to purchase property.

# MODULE III: Buyer Orientation

## DUTIES OF INSPECTION OR INVESTIGATION:

15. Broker has no duty to conduct an independent inspection of the Property for the benefit of Buyer and has no duty to independently verify the accuracy or completeness of statements made by a seller or independent inspectors. Broker has no duty to conduct an independent investigation of Buyer's financial condition or to verify the accuracy or completeness of any statement made by Buyer.

# MODULE III: Buyer Orientation

## DUTIES TO DISCLOSE MATERIAL FACTS:

16. Broker must disclose to any prospective seller all adverse material facts actually known by Broker, including but not limited to adverse material facts concerning Buyer's financial ability to perform the terms of the transaction and whether Buyer intends to occupy the Property as a principal residence.

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## NO VICARIOUS LIABILITY:

17. Buyer understands that Buyer is not liable for Broker's acts or omissions that have not been approved, directed or ratified by Buyer.

# MODULE III: Buyer Orientation

## ADDITIONAL DUTIES OF BUYER'S AGENT:

18. Promote the interests of Buyer with the utmost good faith, loyalty and fidelity;

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## ADDITIONAL DUTIES OF BUYER'S AGENT:

19. Seek a price and terms that are acceptable to Buyer; and

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## ADDITIONAL DUTIES OF BUYER'S AGENT:

20. Counseling Buyer as to any material benefits or risks of a transaction that are actually known by Broker.

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Who pays the commission...



- Explain to your client how commissions work. You'll be amazed how many people don't get it.
  - Traditionally the commission is paid by the Seller and the listing broker 'cooperates' with the selling broker.
  - The Buyer can or must pay if the Seller isn't offering a co-op amount that you (the broker) will accept.

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## Advantages of working with one agent...

- You become familiar with how the agent works and vice-versa.
- You can build confidence in that agent's ability through familiarity.
- You develop rapport necessary to communicate easily – and you don't have to start over with each new agent you meet.
- The Agent comes to understand your particular needs in a highly individualized manner to serve your specific goals and wants.
- The Agent can make a commitment in time and effort because there is mutual trust and written agreement.



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If I will...

Okay, let's  
agree...

- Engage with you to determine your specific wants, needs, and goals...
- Make my best effort to help you find the home to meet your wants, needs, and goals...
- Commit my time, my car, my technology, and experience to help you...
- Continue to work for you until you have found the home you're ready to buy or tell me to stop...



# MODULE III: Buyer Orientation

## Will You...

Okay, let's agree...



- Be honest and truthful with me...
- Let me know if your plans or goals change...
- Tell me what you like and dislike about the homes we see...
- Tell me if you feel you need to talk to another agent.

# MODULE III: Buyer Orientation

Sample  
buy/sell  
contract...

1 The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission.  
2 (CB51-6-15) (Mandatory 1-16)  
3 THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR  
4 OTHER COUNSEL BEFORE SIGNING.  
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**CONTRACT TO BUY AND SELL REAL ESTATE  
(RESIDENTIAL)**

Date: \_\_\_\_\_

**AGREEMENT**

1. **AGREEMENT.** Buyer agrees to buy and Seller agrees to sell, the Property described below on the terms and conditions set forth in this contract (Contract).

2. **PARTIES AND PROPERTY.**

2.1. **Buyer.** Buyer, \_\_\_\_\_  
will take title to the Property described below as ☐ Joint Tenants ☐ Tenants In Common ☐ Other \_\_\_\_\_

2.2. **No Assignability.** This Contract is Not assignable by Buyer unless otherwise specified in Additional Provisions.

2.3. **Seller.** Seller, \_\_\_\_\_ is  
the current owner of the Property described below.

2.4. **Property.** The Property is the following legally described real estate in the County of \_\_\_\_\_ Colorado:  
\_\_\_\_\_  
known as No. \_\_\_\_\_  
Street Address City State Zip  
together with the interests, easements, rights, benefits, improvements and attached fixtures appurtenant thereto, and all interest of  
Seller in vacated streets and alleys adjacent thereto, except as herein excluded (Property).

2.5. **Inclusions.** The Purchase Price includes the following items (Inclusions):

2.5.1. **Inclusions - Attached.** The following items are included unless excluded under Exclusions: lighting, heating, plumbing, ventilating and air conditioning units, TV antennas, inside telephone, network and coaxial (cable) wiring and connecting blocks/jacks, plants, mirrors, floor coverings, intercom systems, built-in kitchen appliances, sprinkler systems and controls, built-in vacuum systems (including accessories), garage door openers (including \_\_\_\_\_ remote controls). If checked, the following are owned by the Seller and included (leased items should be listed under Due Diligence Documents): ☐ None ☐ Solar Panels ☐ Water Softeners ☐ Security Systems ☐ Satellite Systems (including satellite dishes). If any additional items are attached to the Property after the date of this Contract, such additional items are also included in the Purchase Price.

2.5.2. **Inclusions - Not Attached.** If on the Property, whether attached or not, on the date of this Contract, the following items are included unless excluded under Exclusions: storm windows, storm doors, window and porch shades, awnings, blinds, screens, window coverings and treatments, curtain rods, drapery rods, fireplace inserts, fireplace screens, fireplace grates, heating stoves, storage sheds, carbon monoxide alarms, smoke/fire detectors and all keys.

2.5.3. **Personal Property - Conveyance.** Any personal property must be conveyed at Closing by Seller free and clear of all taxes (except personal property taxes for the year of Closing), liens and encumbrances, except \_\_\_\_\_ Conveyance of all personal property will be by bill of sale or other applicable legal instrument.

2.5.4. **Other Inclusions.** The following items, whether fixtures or personal property, are also included in the Purchase Price: \_\_\_\_\_

2.5.5. **Parking and Storage Facilities.** ☐ Use Only ☐ Ownership of the following parking facilities: \_\_\_\_\_

CB51-6-15. CONTRACT TO BUY AND SELL REAL ESTATE (RESIDENTIAL) Page 1 of 17

# MODULE III: Buyer Orientation

## How about a resume...

### Chris Hardy

7061 Poudre Canyon Highway • Bellvue • CO 80512  
970-988-6319 • ChrisHardy@ElevationsRealEstate.com

#### Objective:

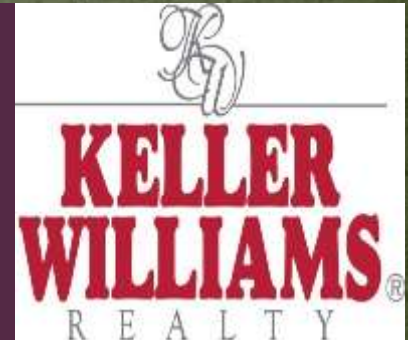
Sharpen my leadership skills in order to better serve  
my community, association, and company.

#### Experience:

|                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Employing<br/>Broker/Owner</b><br>2012-Present | <i>Elevations Real Estate, LLC</i> - Fort Collins, Colorado<br>Employing the experience and duties described below, co-created a shared ownership and shared operations business model for a 13 agent independent brokerage serving Northern Colorado.                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Managing Broker</b><br>2005-2011               | <i>Coldwell Banker Residential Brokerage</i> - Fort Collins, Colorado<br>Responsible for leading, recruiting and training over 150 independent contractor real estate sales associates in Fort Collins, CO. Duties include: review & analysis of P&L, preparing and leading weekly business meetings, education seminars, sales training, curriculum design for classroom and internet based learning, risk management, resolving contract issues, business coaching, promotions and advertising. Oversight and orientation of all employee-based staff positions including performance evaluation and professional development. |
| <b>Contributing Writer</b><br>2007-2011           | <i>Fort Collins Coloradoan</i> - Fort Collins, Colorado<br>Published numerous feature articles for the real estate section of the local newspaper including analysis and explanation of market statistics and trends with a focus on relevance to the individual. (samples upon request)                                                                                                                                                                                                                                                                                                                                         |
| <b>Instructor</b><br>2008 & 2009                  | <i>Empire Real Estate School</i> - Fort Collins, Colorado<br>Led several real estate commission accredited courses in pre-license education including, property management, escrow records, and using technology in business start-up.                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Sales Manager</b><br>2004-2005                 | <i>Coldwell Banker Residential Brokerage</i> - Fort Collins, Colorado<br>Responsible for leading, recruiting, and training over 150 real estate sales associates in Fort Collins, CO. Duties included: preparing and leading weekly business meetings, education seminars, sales training curriculum design, resolving contract issues, recruiting talent, business coaching, promotions and advertising.                                                                                                                                                                                                                        |
| <b>Broker Associate</b><br>2003-2004              | <i>Coldwell Banker Residential Brokerage</i> - Fort Collins, Colorado<br>Actively listed and sold residential real estate in Fort Collins, CO. Presented marketing proposals, conducted market research, crafted purchase contracts, listing agreements, created web-sites and interactive informational CD's for prospective clients.                                                                                                                                                                                                                                                                                           |
| <b>Business Owner</b><br>1994-2003                | <i>Self-employed as Licensed Contractor/Builder/Carpenter</i><br>Built spec-home from the ground up working with architect/partner. Contracted for trim carpentry, tile work, and remodeling projects.                                                                                                                                                                                                                                                                                                                                                                                                                           |

# MODULE III: Buyer Orientation

Some  
information  
on my  
Company...



# MODULE III: Buyer Orientation

Helpful  
Resource  
Information...



Carpet Cleaner, Glass Company  
Plumber, Handyman, Electrician  
Heating & A/C, Home Inspection  
Lenders, Roofers, Sprinkler  
repair/blow-outs  
Painters, Landscapers, Movers  
City resources  
Emergency numbers  
Utility Companies  
Current articles on mortgage rates  
Market statistics