

## CHAPTER 1

# **Are Real Estate Agents to Blame?**

How to Avoid Being Ripped Off When  
You Buy or Sell Your Next Home

By Jay Kinder

*“The Strategy of Pre-eminence is the foundation on which you build your ideology. To be the most trusted expert advisor in your field, you cannot allow your clients to make decisions that are not in their best interest, even if that means referring them to your competition. You have to learn to connect with your clients and identify their non-verbalized fears, concerns, goals and desires solely for the purpose of giving them superior guidance above all else.” ~Jay Abraham*

Make no mistake about it: The real estate industry is broken, and it could cost you thousands upon thousands of dollars when you buy or sell your home. Let me draw a comparison for you. I’m from Oklahoma, and the required amount of hours to receive your “provisional” real estate license is a whopping 90 hours. In contrast, you’re required to have 1,500 hours to become a licensed beautician.

Shocked yet? You will be.

You would think that all real estate agents have been skillfully trained in managing the variables involved in the home buying and home selling

process. You would think that their brokerage, franchise or otherwise, would have systems in place to consistently monitor and measure the success of their agents and the advice they give their clients. They don't.

This year, across the country, the success rate of agents listing a home—and it actually selling—is less than 50 percent. That means you could list your home for months and months, and your odds of selling are no different than pulling a nickel out of your pocket and calling heads or tails. The downside to this coin flip could be devastating. What if you have to move to another area? What if you contracted to build a new home already? What if you couldn't afford to pay for two places to live? What if this process unexpectedly drained your savings and put your family's financial situation at risk?

In most cases, you'll negotiate away your home's equity due to the timing and financial crunch an untimely home sale might cause. In many cases, this is encouraged by your real estate agent. According to National Association of Realtors (NAR), the original list-price-to-sales-price ratio is a whopping 11 percent difference. On a \$200,000 home that would be a total loss of \$22,000 to you as a homeowner!

So why is it that some homes sell in 90 days or less while others lag on the market for months and months, often never selling at all? This is where the expertise of your real estate advisor makes all the difference. Many agents today aren't accurately trained to determine the value of your home, much less managing the process. You've probably heard the term "CMA." It stands for comparative market analysis. It takes into consideration the agent's choices for comparable homes that have sold recently and making adjustments to see what your home's value *should be*.

This is an archaic method that many agents still use today. The problem is that the average agent shouldn't be "choosing" the comparables first of all, and secondly it leaves out many variables that ultimately could cost you thousands of dollars.

For example, CMAs don't tell you if the home was overpriced for months before a large price drop; they don't tell you if the home was professionally staged; if the home was painted blue, yellow, red and purple; or if the carpet wreaked of cat urine.

What about those highly motivated sellers who lost a job or are getting a divorce? Do these factors determine the value of your home? Absolutely not! More important, they don't play an active role in how you should *position* your home in today's market to attract the highest offer.

Another amazing statistic is how much the average agent invests in the marketing and sale of your home. Recently, NAR reported that the average agent invested less than \$300 per month in the online marketing for all of their clients combined. Where does all that commission go?

It's simple. The average agent only sells seven homes per year, and there are nearly 1 million of them, so instead of investing those dollars into their business (if you want to call it that), they need that money to live on. You understand, right? Heck no! This is your largest investment!

Prognosis without diagnosis is malpractice. You would probably run from any physician who prescribed a cure without first doing a thorough examination, wouldn't you? Then the same should be considered when hiring a real estate agent to advise you through the sale of the largest purchase you'll make in your lifetime.

If the average real estate agent sells around seven homes per year, that's hardly enough experience to even know what questions to ask, much less give you the proper advice and guidance. Maybe I'm being hard on these agents. After all, we all know someone who's a real estate agent. You probably even have a friend who's an agent. I'd be willing to bet that he's a very nice person, too. This friend is honest, goes to church on Sunday, and even brings you a big turkey on Thanksgiving. These are all great qualities in a person. Surely, he can be trusted with the sale of your home, right?

Here's the bottom line: In the last 15 years, I've consulted with no less than 4,100 homeowners who either wanted or needed desperately to sell their home. There's a proven, repeatable system that can be followed to sell your home for up to 18 percent more money than the methods of average real estate agents.

When it comes to selling the largest asset you own, you owe it to yourself to do your due diligence. You owe it to yourself to hire an expert advisor. The only training in the real estate industry that can deliver you an expert advisor is the training provided by the National Association

of Expert Advisors. The Certified Home Selling Advisor is a designation only the top agents in the country hold. It's the sign of the new real estate agent.

The days of the average, part-time, real estate agent are long gone. When you hire an agent, hire a Certified Home Selling Advisor. You can research your area online at [www.naea.com](http://www.naea.com).



## About Jay

Recognized throughout the real estate industry, Jay Kinder is a business phenom, going from small-town kid to master business-growth strategist. Nobody in the tiny town of Walters Oklahoma, population 2,142, would have voted this notably ornery and average student most likely to be a millionaire, but that didn't stop him from building an impressive real estate brand positioning him as one of the top 10 Coldwell Banker Agents Worldwide, Small Business Administration Young Entrepreneur of the Year, *Realtor* magazine's 30 under 30, *Wall Street Journal's* top 25 agents worldwide, and a laundry list of high achievement awards all by the age of 30. By the time Jay was 25 years old, he had become a local celebrity and brilliant strategist. By the time he was 28, his passion for real estate expanded as he and his business partner Michael Reese, a top agent who got into real estate after seeing Jay's incredible business success, decided to open the doors to their successful businesses and began recreating their own success by helping agents like them master massive growth and celebrity stardom in their own real estate markets. This new business, Kinder Reese Real Estate Partners has been credited with helping thousands of real estate agents strategically grow their businesses with their proven and market tested idea. Jay and Mike now share a passion for growth-minded individuals who have a burning desire to add value to people's lives while enjoying a higher quality of life.