



Buyer Agreements or Bust The Compensation Plan





Hi friend!

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Change is hard.

But change is inevitable. Ultimately it is your response to change that will determine your success.

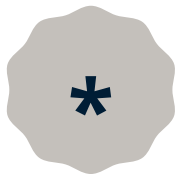
In addition to being a real estate agent, I am also a full-time planner, organizer and systematizer. The way I approach change is to establish systems that help me anticipate the "what ifs."

Enter the Compensation Plan.

As we transition into a new world of Buyer Agreements and Buyer Agent Compensation, I have built the tools to help in my own success, and I'm excited to share them with you.

Cassie

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ADDRESSING:

* The Buyer Agreement

The most common question I get when teaching our 8-Step Process is about that tricky moment of asking buyers to sign the Buyer Agreement. How and when you sign the form will vary depending on your MLS form and state regulations. But I have some general tips that should help, no matter where you are:

● EXCLUSIVE VS. NON-EXCLUSIVE

Think of signing a Buyer Agreement with your clients as the start of a great partnership. It's like saying, "We're in this together." And, with this step soon being required for every real estate agent, this process will make your even easier.

But the big question is - when should you get that signature?

Like many pros in the industry, I recommend having your buyers sign the agreement before you start showing homes. But what if your clients want to test the waters first? It's a fair point. Who buys a car without at least a test drive? Here are a few suggestions on what you can do:

Option #1: Start with a non-exclusive relationship with your buyer before your tour (we call it Education Day). Think of it as the "getting to know each other" phase. If they enjoy the process and want to continue working with you, you can then switch to an exclusive agreement after your tour is complete.

Option #2: If your Buyer Agreement only allows for an exclusive working relationship, use it for one specific date—your Education Day. After that, invite your clients to officially hire you by extending the agreement for a few months or even a year.

Option #3: If you meet a potential buyer and they would like to see a specific property right away (say during floor time or at an open house), list that property's address on your form. The key to the 8-Step Process is to explain to them that after you show them the home, you would like to schedule an Intake meeting. Then you can take them through the process, and once you've completed Education Day, expand the agreement to cover a larger area, such as an entire city or county.

Remember, every journey begins with a single step—or in our case, a signed agreement.



One of my favorite responses to buyer objections is to simply say "This is the tool to hire me, and I do not work without a commitment." If they aren't ready to sign the agreement, then they aren't ready to officially hire you.



A Compensation Plan

OUTLINING YOUR OPTIONS:

While your Buyer Agreement will clearly outline *what* you will be paid as far as your compensation rate, it most likely won't clarify *how* you will be paid. At this point, you have two options:

Option A: Ignore the elephant in the room and hope for the best (spoiler alert: this rarely works).

or

Option B: Proactively address the topic with your clients.

Let's go with option B. Reviewing the Buyer Agreement, which outlines all your compensation options, will kick-start these crucial conversations and cover all the "what ifs." To make this process smooth, set up a clear plan with your buyers so that when they find their dream home, everyone knows what to expect.

Here's a plan you can suggest:

Step 1: *Once we find "the home," I will check with the seller through the listing agent to see if they're offering a Buyer Agent Compensation (BAC).*

Step 2: *We will draft your offer and include the Seller's offer of compensation or concessions in the contract. From there, we have a few scenarios:*

- **Scenario A:** *They accept our terms and the Buyer Agent Compensation rate, and we proceed to mutual agreement.*
- **Scenario B:** *They counter with a lower rate than agreed upon in our Buyer Agreement. In this case, we'll collaborate together to figure out how to move forward. You might reject their counter or you may decide to accept their offer and cover the difference.*

Step 3: *In the case that the Seller is not offering compensation, you will need to decide whether to pay the BAC yourself or walk away from the offer.*

That said, there are several options available to you to secure the funds. It's possible that you could use a portion of your down payment funds, or you may be able to collaborate with your lender to incorporate the BAC owed by adding it to your closing costs and increasing the purchase price to cover the difference (subject to appraisal, of course).

It's important to know that we will collaborate to ensure the compensation is paid, and more importantly you land your dream home!

ADDRESSING FAQ'S

DO YOU HAVE TO SIGN A BUYER AGREEMENT WITH BUYERS COMING TO MY OPEN HOUSE?

When hosting an open house, at that moment in time you are representing the seller and therefore do not need to sign a Buyer Agreement with prospective buyers touring the home. However, if during the open house you meet a potential buyer client and they ask you to show them other listings (outside of the open house), then you would indeed need to ask them to sign the Buyer Agreement prior to showing other homes.

WHAT IF THE BUYERS DON'T HAVE THE FUNDS TO PAY THE BUYER AGENT COMPENSATION?

This is a very common fear for buyer agents and plainly stated, it costs money to buy a house. In addition to down payment funds you have the closing costs that cover loan origination fees, title insurance, escrow and more. In today's market, there is no such thing as the 0% down loan, and no closing costs, right? So buyers do understand that there are fees associated with buying a home. Now, most likely the Buyer Agent Compensation will be added to the cost of buying a home. The importance is collaborating with your buyer to determine the best course of action.

WHAT IF THEY WANT TO SEE A PROPERTY BEFORE WE DO OUR HOME TOUR (EDUCATION DAY)?

Your first interaction with a potential buyer might happen at an open house or during floor time. They could be inquiring about a property and need someone to show it to them. Regulations will require you to sign a Buyer Agreement to show the house, and you can easily address this by writing the specific property address on your agreement. Showing the house is one thing, but establishing them as a client is another. So make sure to follow up afterward. Let them know you have a process, and the first step is Intake. The best course of action is, at the end of the showing, have them pull up their calendar and schedule your Intake meeting.

We recently had potential clients reach out while they were in town asking to see a home. They were the parents of a client, and we hadn't met them yet. The last thing we want is to make them jump through hoops just to see one house. After all, we're trying to establish trust. So, we scheduled the appointment, had them sign our Buyer Agreement for that specific property, and then followed up with their Intake via Zoom once they returned home. They obtained loan approval, and we brought them back to Seattle for their Education Day.

The trick is that no matter where you start in the process, always bring them back to Step 1: Intake.



In the ever-evolving real estate industry, even the most seasoned agents can face challenges without a structured system or process in place. Don't let the market's constant shifts leave you behind. Now is the time to embrace change and establish a robust process.

Introducing my latest eBook:

Buyer Agreements or Bust

[How to Master Your Process Like a Pro]

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This comprehensive 22-page guide is designed specifically for real estate agents who are ready to elevate their practice. Inside, you'll discover:

- **A Proven 8-Step Process:** Learn a step-by-step approach to working effectively with home buyers, ensuring every transaction is smooth and successful.
- **Incorporate Buyer Agreements Seamlessly:** Understand the importance of Buyer Agreements and how to integrate them into your daily practice to build trust and protect your business.

Why Choose This eBook?

- **Expert Insights:** Drawn from years of experience in the real estate industry.
- **Actionable Strategies:** Practical tips and techniques you can implement immediately.
- **Professional Growth:** Enhance your skills and confidence to navigate any market condition.

Don't miss this opportunity to transform your approach and achieve greater success. Download your copy of **Buyer Agreements or Bust** today and start mastering your process like a pro!

GET THE GUIDE

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Cassie Walker Johnson

With nearly two decades of immersive experience in real estate, Cassie's unwavering passion for effective methodologies has been the cornerstone of her success as a highly esteemed real estate agent, partnering with her husband Jeremy Johnson at Windermere Real Estate in Seattle, WA.

Cassie's dedication as an advocate for Buyer Agreements has solidified her reputation as the industry's go-to expert for empowering fellow real estate agents. Her insights and guidance are in high demand among leading organizations, where she assists in refining agent systems and navigating the ever-evolving regulatory landscape.

As a dynamic speaker, Cassie brings her methodologies to life, making them not only valuable but also seamlessly integrable into daily real estate practices. Her presentations are energized with real-life examples and infused with humor, creating an engaging and lively experience for her audience.

Beyond her impactful work in real estate and public speaking, Cassie is the visionary force behind CWJ Marketing, where she crafts and innovates marketing tools specifically tailored for the real estate industry.

SPEAKING & EDUCATION INQUIRIES:

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People always want to know what kind of real estate Jeremy and Cassie specialize in, and they simply like to answer with:

"The people kind"

With Johnson & Walker, relationships and real estate merge into a journey that starts with lots of listening on their part. These two don't back away from a challenge, and they've seen first hand the highs and lows of the Seattle market.

STERLING PROFESSIONALS: Jeremy began his career in real estate in 2002, and after meeting Cassie discovered how much they enjoyed working alongside each other ultimately deciding to partner up in real estate in 2005. With extensive experience in both sales and property management, their home has always been at Windermere Real Estate.

DIVERSE PERSONALITIES: It doesn't take long for their clients to spot their differences—Jeremy is the calm, cool, and collected negotiator who is always one step ahead. Cassie is the energetic, dynamic, and outgoing marketer who is there to help their clients weigh all of their options.

A TEAM APPROACH: As a team, Jeremy and Cassie are advocates and coaches, and each step of their process is designed to empower their clients with sound knowledge and experienced insight.