



**3 Ridiculously Simple  
Things to do to Net More Money  
when Buying & Selling**

**REPORT**

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## **3 Ridiculously Simple things you can do today that are proven to put more money in your pocket when selling and buying a Hamilton Area Home.**

Make sure you do these 3 Simple things if you want to have more money in your pocket after you've sold your current home and purchased your next one:

**#1) Hire a REALTOR®**

**#2) Before you Hire that REALTOR®, make sure you NEGOTIATE the TOTAL COMMISSION you are willing to pay for his/her services.**

**#3) Ask your Buyer REALTOR® for a Cash Back / Rebate from the Commission he/she earns for helping you buy your next home.**

**That's it.** Do these 3 Simple things and you'll end up with thousands of dollars more in your pocket when you're buying and selling a home in the Hamilton area.

The above three points are explained in a little more details in what follows. The proof that these work effectively to produce more money for you is in the client testimonials at the end of this paper.



Continue reading for details and an explanation of each of the above points.

## **Ridiculously Simple Thing #1:**

### **Hire a REALTOR®**

A REALTOR® has the knowledge and experience to help you get the best deal when you're buying or selling a home. Further, and most importantly, a REALTOR® also has the pricing and Sold data that you won't be able to get with anyone else.

A licensed real estate sales person or broker who is also a member of the local real estate board and the Canadian Real Estate association is also known as a **REALTOR®**. In Ontario you can hire a licensed real estate sales person or broker that is not a REALTOR®. These two are not the same thing.

Not just anyone can call himself or herself a REALTOR®. To do so, real estate professionals must either be direct members of their association or be members of both their local real estate board and CREA, depending on the province. As well, they must abide by the ethical standards laid out in the REALTOR® Code.

The Canadian Real Estate Association (CREA) is one of Canada's largest single-industry trade Associations. Our membership includes more than 100,000 real estate brokers, agents and salespeople, working through 100 real estate Boards and Associations across Canada.

In Canada and the U.S., the majority (by far) of homes are Sold by REALTORS® to their clients and purchased by clients using a REALTOR®. So, when you're buying or selling a property, it makes sense to "go where the home buyer and home seller clients are". And, these clients *are* with REALTORS®.

One of the most important "tools" a REALTOR® uses to do his job is the Multiple Listing Service (MLS®). The MLS® is the database of the local real estate board that contains all the properties listed for sale in the local area. It may also have property listings from other areas.

There are two main functions of the MLS®.

The first function is to distribute the information of properties that have been listed for sale by REALTORS®. The REALTORS® have been hired by Sellers to market their properties and represent the Seller's best interests in the sale of these properties. Only a REALTOR® can use the MLS® system and input the Listing information into this database. And, only a REALTOR® can access this information directly from the MLS® system when they are searching properties for their Buyer Clients. Although much of the listing information is available on various sites on the internet, NOT ALL the listing information that is on the MLS® Listing is allowed to be shown on these internet sites. Only a REALTOR® has access to the Full Listing information.

The Multiple Listing Service (MLS®) is the most powerful property marketing system in Canada. The MLS® System will place the home listing on REALTOR.ca, the most visited For Sale real estate website in Canada.

The second function of the MLS® database is to maintain SOLD information of every property that was listed and sold. This MLS® information isn't available to anyone other than a REALTOR®. Only a REALTOR® has access to this information. And it's this information that separates a REALTOR® from other sales persons or brokers with a real estate license.

Because a REALTOR® has this information, he/she can use it to accurately generate Comparative Market Analysis of homes and determine a home's value in the current market. This is the real reason you want to hire a REALTOR® when you're buying or selling. This information, used properly, can make you more money when you're selling your home. And, it can help you not overpay when you're buying your next home.

Use the Services of an Experienced, Local REALTOR® to represent your best interests when buying or selling a home. Their knowledge of local real estate, neighbourhood specific benefits or disadvantages and local market trends will ensure that you'll have someone who will be able to give you good advice about these matters. A REALTOR® has a duty to be on your side and to represent your best interests. It is the job of the REALTOR® to put your interests above those of all other parties including his/her own best interests when working for you in the purchase or sale of real estate.

This alone will help ensure that you don't make a big mistake which can cost you thousands when you're buying or later when you'll want to sell the home you just bought.

REALTORS® all belong to the same real estate organizations that license, educate and regulate the overall profession and each individual REALTOR®. Once you've chosen a knowledgeable and experienced REALTOR® that knows the LOCAL area, you'll have the recommendations and counsel of an expert in the real estate field in that geographic area.

Now that you know that a REALTOR® must look out for your best interests, you know that choosing one that is qualified, dedicated and knowledgeable is your best bet. REALTORS® are members of the Canadian Real Estate Association, the Ontario Real Estate Association, they're members of the local real estate board or association and in Ontario they are regulated by the Real Estate Council of Ontario.

The fact that a REALTOR® is licensed and regulated and is ethically required to look out for your best interests is reason enough to use one when buying and selling. But, a REALTOR® can benefit you in other ways.

Most home Sellers have a REALTOR® generate a Home Evaluation when they're selling their home. They want to make sure that they're pricing their home to get as much money as they can. And, most REALTORS® will do a market evaluation for their Sellers.

**But, very few Home Buyers make their REALTOR® generate a Home Evaluation for the home that they want to buy.** The Home Buyers typically just look at the Listing price of the home they want to buy and make an offer a little lower than the Listing price and then negotiate to the final selling price.

**This is one situation where there are potential savings by the Home Buyer. By having a Home Evaluation done on the property the Home Buyer wants to buy, the home buyer may potentially avoid overpaying for a home that may be overpriced.** Or, if the home buyer still wants to make an offer on a home that is overpriced, he'll have the information that can justify to the home seller the price that's being offered.

Your REALTOR® can show the Comparative Market Analysis (the Home Evaluation) to the Seller and the Seller's REALTOR® and ask them to consider your offer based on similar homes that have sold in the area and the prices they sold for.

This technique has potential for avoiding a situation where you'll pay thousands more than what the fair market value really is.

## **Ridiculously Simple Thing #2: Negotiate a Total Commission Rate with the REALTOR® you're Going to Hire to Sell Your Home.**

Once you have a realtor that you know is Experienced and Knowledgeable about the local market, **simply negotiate the best rate that you'll be willing to pay for his or her REALTOR® services.**

**If you can't get you're your first REALTOR® to agree to your commission requests, just try another REALTOR®. The secret that home sellers don't know is that most REALTORS® would rather have another listing at a low commission than not have your listing at all.**

In Ontario and most areas in North America, the Seller of a property pays the entire commission associated with the Sale of the property.

The entire commission consists of the Listing Brokerage Commission (the amount or percentage that the Seller pays to the listing Brokerage for listing the property and representing the Seller in the selling process) AND the Selling Brokerage Commission (the amount or percentage that is offered to the Buyer's Brokerage: the REALTOR® bringing the Offer). The Listing Brokerage Commission and the Selling Brokerage Commission make up the TOTAL COMMISSION that is payable by the Seller if/when the property is sold.

**One of the things that many Sellers are not aware of is that both of these Commissions may be negotiated. And, that they do not have to be the same amount or percentage for the Selling Brokerage and the Listing Brokerage.**

The Seller can negotiate to give more to the REALTOR® bringing the offer if he/she wishes to do so.

In the past, REALTORS® who charged, for example, 6% or 5% of the sale price as commission (Commission rates vary from brokerage to brokerage and may be negotiated), would simply split the Total Commission down the middle and provide half to the Selling Brokerage / Selling REALTOR® for bringing the offer AND keep half of the Total Commission for the Listing

Brokerage for doing the job of listing the property and marketing it For Sale as well as for representing the Seller.

Even today, very few people know that the Total Commission doesn't have to be split down the middle. **This is where there is potential for the savvy Home Seller to negotiate a substantial amount of savings.**

Let's say that you are negotiating with a Listing REALTOR® that wants to charge a Total Commission fee of 4.5% of the sale price. If the Listing Brokerage splits it down the middle, the Listing Brokerage Commission would be 2.25% and the Selling Brokerage (the REALTOR that brings the offer) would receive the other 2.25% of the Total Commission.

Let's say that in your neighbourhood there are many listings that are offering 2.0% Selling Brokerage (Selling REALTOR®) Commission. And, you as a seller wish to offer a similar amount to the Selling Brokerages /REALTORS® that will be showing your home and trying to sell it to their Buyer Clients.

But, what if you (as a seller) think that the most you would be willing to pay for selling the home is 3% Total Commission. Splitting this in half would only be 1.5% for each Brokerage. You think that it may not be enough for the Selling REALTOR® as compared to other listings in the area. Well, if the Seller (you) and Listing REALTOR® / Brokerage agree, then you could offer 2.0% to the Selling Brokerage / REALTOR® and the other 1% to the Listing Brokerage. The Listing Brokerage would get less than half and the Selling Brokerage would be offered more than half of the Total Commission in order to be competitive with the other listings in the area. The Listing brokerage would get 1% as compensation for Listing the property, marketing it and for representing the seller in the Sale process.

In the above example, the Selling Brokerage would still receive the same Commission Rate that other listings in the area are offering and yet the Total Commission has been reduced from 4.5% or 4.0% down to 3%. That's at least 25% less commission fee for the Seller.

The Selling Brokerage / REALTOR® would still be getting the 2.0% that is prevalent in the area in this example. The only party that is receiving less is the Listing Brokerage / REALTOR®. If he is willing to accept this lower Listing Commission, then the seller (you) will save a substantial amount vs. the higher amount.



As an example, let's assume you're selling a \$500,000 home and the difference in commission that you're able to negotiate with one REALTOR® as compared to another REALTOR® is 1% less. That 1% less in commission fee will equal \$5,000 less in commission plus another \$650 less in HST applicable on the \$5,000. That will give you a total savings of \$5,650 – **just for having negotiated.**

You've still used a Full Service REALTOR® that will use the MLS® system to help market and sell the property. You still can choose a professional REALTOR® that works full time and is dedicated solely to his real estate clients for his business and dependent on doing a good job for his clients in order to earn his income. You still get a professional who is knowledgeable and experienced to represent you're best interests. At the same time, you can get a great commission rate and EASILY save thousands. In our example above, you'd be **saving \$5,650 just on the Sale of your current home.**

Why would a Listing Brokerage accept less? Because, by charging less, the brokerage will gain substantially more business and offset the revenue reduction of each individual listing with substantially more volume of homes that he'll be able to have For Sale. Overall, this strategy is designed to do more business and result in a greater amount of revenue for the brokerage overall.

## **Ridiculously Simple Thing #3:**

### **ASK the REALTOR® You're Going to Hire to help you Buy Your Next Home for a Cash Back or Rebate from the Commission the REALTOR® will earn.**

The third and final ridiculously easy thing to do to make money when buying a home is to **Ask** the REALTOR® helping you to purchase the home for a "Cash Back or Rebate". This is a rebate of part of the commission that is earned by the REALTOR® for having provided the seller with your offer.

As you know, home prices have gone up very quickly and substantially. **A REALTOR®'s costs have not gone up as much or as quickly. Therefore, there are "windfall profits" that REALTORS® are making at this time.**

There's nothing wrong with asking your REALTOR® to contribute some of the Commission to help you with paying some of the many different fees you'll encounter when you buy a home. This Cash Back or Rebate is beginning to be seen more frequently in the real estate market in our area. Especially, when the home buyer does some of the work and helps with the Home Search process.

If you go online and help in trying to find the home you'll be buying, you're actually doing some of the work that, in the past, the REALTOR® would have to spend time doing himself/herself.

So, you're actually **earning** some of this Cash Back/Rebate because you will most likely be doing a lot of the Home Search work yourself as well as having your REALTOR® do his Home Search work for you.

This can translate into Thousands of dollars in Cash Back for you.

For example, if you are buying a \$500,000 and the Selling Brokerage Commission (the Commission the REALTOR® that brings the offer is receiving) is 2.0% of the sale price. That means that the total Selling Brokerage Commission will be \$10,000.

Let's say you negotiate a Cash Back / Rebate, from the REALTOR® that represents you in the purchase of your next home, of 20-25% of the Selling

Brokerage Commission. That would be a total of between \$2,000 and \$2,500 EXTRA in your pocket.

Let's assume it was a Cash Back Rebate of \$2,500. Add that to the example above of \$5,650 savings in Selling Commission fees. This gives you a total of \$8,150 in extra available cash that you otherwise would not have. This doesn't even take into account any savings that can be achieved by having your REALTOR® generate a Comparative Market Analysis of the home you will be buying so that you can be offering an amount based on the market analysis.

Added together, these three simple things can translate into thousands of dollars in extra cash that you'd otherwise leave on the table. You may not even know that this extra money is available - **just for the asking!!**

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If you'd like to discuss these or any other real estate related issues, don't hesitate to call Andrew Ielasi, Broker of Record, Corona Realty Inc., Brokerage (905) 525-3311.

Take a look at our website [www.onepercenthamiltonrealty.ca](http://www.onepercenthamiltonrealty.ca) where we discuss our Selling Commission and Cash Back / Rebate offers.

If you're thinking of selling and want to get a Free Home Evaluation with no obligation, visit our Home Worth page at [www.onepercenthamilton.ca](http://www.onepercenthamilton.ca).

Thank you for using our website and for downloading these 3 Ridiculously Simple Things to do to put more money in your pocket when you sell and buy a home.

**Below are a few Client Testimonials as proof that these techniques will make you more money when buying and selling a Hamilton area Home:**

*“...I was very pleased that we were able to purchase the home that I really wanted. You did a great job negotiating the price...I got \$13,050 Cash Back (Rebate) from the commission amount that you earned....”* -- David D.

*“...We received a cheque from Corona Realty Inc. for \$7,044. That’s a substantial amount just for something we were going to do anyway: use the services of a Realtor to help us buy a home.....”* -- Stacey & David R.

*“Just a quick note to thank you for your help in selling our home and helping us buy our new one.....From what we saved in Selling Commission and the Cash Back we received, we’re ahead at least \$7,000....”* -- Z.A. & D.A..

*“...We saved thousands by selling with you and still received professional service on Mls. Further, you helped us find another home fast. And, you gave us a commission Cash Back of almost \$4,600.....”* -- T.A. & C.K.

*“....We’re also very pleased with the fantastic Cash Back cheque you provided. You gave us excellent Realtor Service and a Rebate cheque for \$6,875...”*

*-- Christina & Tamer*

**Listing Commission Rates and Cash Back / Rebate Offers may be discontinued at any time without notice.**

**Certain conditions Apply. Commission rates or Rebates may vary from brokerage to brokerage.**

**Not intended to solicit properties currently listed for sale or buyers currently under contract.**