

| CLIENT ROADMAP



MODERNREALTY

6024 EASTMAN AVE, MIDLAND | *your home. our focus.*

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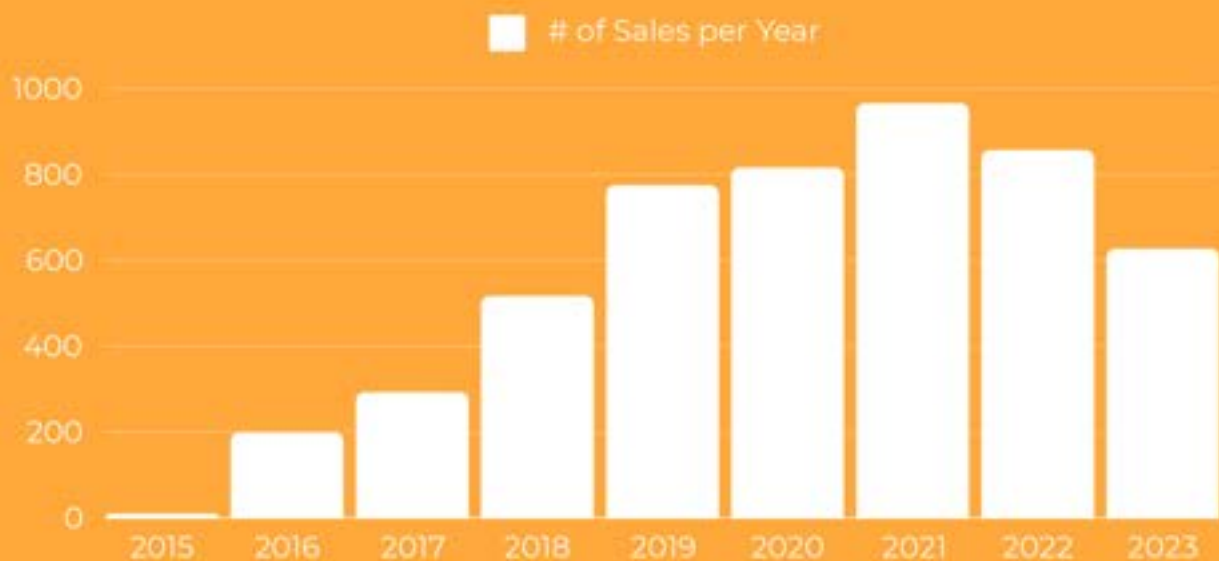
WHY MODERN REALTY? OUR **VALUE**

Mission

Each and every day we strive to create confident buyers and sellers, and to offer world class service anchored by our experience and our unrelenting pursuit of excellence. Our fresh and responsive approach to real estate enables our clients to enjoy a higher level of customer service through talented agents, team-based systems, and cutting edge technology.



Approx. 1 in 5 local homes are sold by Modern Realty**



*Sourced from the Midland Board of Realtors®

**Averaged from 2020-2023

WHY MODERN REALTY

Recognition & Awards

MIDLAND DAILY NEWS READERS CHOICE AWARDS

BEST AGENCY x7

BEST AGENT x11

BEST LOCALLY
OWNED BUSINESS x3

MIDLAND BOARD OF REALTORS® AWARDS

REALTOR OF THE YEAR x3

ROOKIE OF THE YEAR x9

MIDLAND DAILY NEWS 20 UNDER 40 x3



BUYER ROADMAP



PREPARE

Hire a Buyer's Agent
Secure a Mortgage Pre-Approval
Define Your Buying Criteria



SEARCH

Tour Available Properties
Narrow Down Selections
Make a Decision



OFFER

Structure an Offer
Negotiate
Finalize Terms & Paperwork



FINANCE



DUE DILIGENCE

Conduct Home Inspection
Order an Appraisal
Order Title Insurance

Submit Earnest Money Deposit
Apply for a Loan
Order Homeowner's Insurance



CLOSE

Schedule Closing
Coordinate the Move
Attend Closing Appointment

BUYER ADVANTAGE PROGRAM

DEDICATED AGENT

You will be matched with a Realtor® who will research and analyze potential listings, offer objective and unbiased advice, provide comprehensive market expertise and negotiate on your behalf.

EARLY ACCESS TO LISTINGS

You will receive exclusive email alerts with upcoming listing information before properties are activated in the Multiple Listing Service.

TRUSTED PARTNERS

You will have access to our network of reliable industry professionals.

DEDICATED PERSONAL ASSISTANCE

World-class service is provided by our support staff assigned to personally ensure that each step of your closing process is properly managed.

LENDER PARTNER

You will have access to a loan officer inside our office.

TITLE COMPANY PARTNER

You will have access to a title company partner inside our office.

INSURANCE COMPANY PARTNER

You will have access to an insurance company partner inside our office.



BUYER AGENCY EXPLANATION

"Buying a home is one of the largest financial transactions most people will ever undertake. Agents who are Realtors® are a trusted source of advice and stand ready to help you navigate your home buying journey and make the choices that work best for you."

- National Association of Realtors®, 2024

WHAT IS A BUYER'S AGENT?

A buyer's agent is a term used to describe a Realtor® who acts solely on behalf of you as a buyer and in the best interest of only you throughout the transaction.

WHY SHOULD YOU HIRE A BUYER'S AGENT?

When making a home purchase, you need to be represented by a professional who knows exactly how to guide you through the complicated process.

WHAT ARE THE BENEFITS OF HIRING A BUYER'S AGENT?

- ✓ Exclusive representation
- ✓ Access to listings from all brokerages
- ✓ Access to statistical market information
- ✓ Objective and unbiased advice
- ✓ Clear and transparent communication

61%

OF BUYERS SAID
THEIR AGENT HELPED
THEM TO BETTER
UNDERSTAND THE PROCESS

46%

OF BUYERS
FELT THEIR AGENT
NEGOTIATED BETTER
CONTRACT TERMS

90%

OF BUYERS VALUE
THEIR AGENT'S
KNOWLEDGE OF THE
PROCESS & MARKET

75%

OF BUYERS SAID
THEY WOULD DEFINITELY
WORK WITH THEIR
AGENT AGAIN

*Sourced from the 2024 National Association of Realtors® (NAR) Home Buyers and Sellers Generational Trends Report

BUYER AGENCY EXPLANATION

HOW IS A BUYER'S AGENT COMPENSATED?

There are several ways in which your buyer's agent can be compensated for services provided. By law, you must sign a written agreement before touring homes.

- ✓ Before signing an agreement, you should ensure it reflects the terms you have negotiated with your agent and that you understand exactly what services and value will be provided, and for how much.
- ✓ The buyer agreement includes specific components regarding compensation.
- ✓ Written agreements apply to both in-person and live virtual home tours.
- ✓ You do not need a written agreement if you are just speaking to an agent at an open house or inquiring about their services.
- ✓ The listing office and/or seller may agree to offer compensation to your agent on your behalf. This practice is permitted, but the offer to do so cannot be shared publicly on a Multiple Listing Service (MLS).
- ✓ You can still accept concessions from the seller, such as offers to pay your closing costs.

This information was compiled in alignment with the National Association of Realtors® recently implemented practice changes following a 2024 settlement and does ultimately benefit homebuyers.

BUYER OFFER STRATEGY

As a buyer you can structure your offer in several different ways to handle the compensation for your buyer agent based on the scenarios listed below.

A

Compensation IS offered by the listing broker

In most cases, an offer of compensation IS offered by the listing brokerage to your buyer agent, so you can simply include an addendum with your offer that confirms the listing brokerage will compensate your buyer agent using a commission sharing agreement called the **Compensation Agreement Between Brokers**.

B

Compensation IS NOT offered by the listing broker, but seller IS willing to offer compensation.

In many cases, an offer of compensation IS NOT offered by the listing brokerage to your buyer agent, so you can simply include an addendum with your offer that requires the seller to compensate your buyer agent using a contract addendum called the **Buyer Broker's Commission Addendum**.

C

Compensation IS NOT offered by the listing broker, but seller IS willing to offer concessions.

In some cases, an offer of compensation is NOT offered by the listing brokerage to your buyer agent, and the seller may refuse to agree to compensate your buyer agent as well. In that case, you can simply require the seller to offer you a "seller concession" which can be applied toward the cost of your buyer agent's compensation which you would be responsible to pay at closing using a contract addendum called the **Seller Concessions Addendum**.

D

Compensation IS NOT offered by the listing broker, and seller IS NOT willing to offer compensation or offer concessions.

In some rare cases, an offer of compensation is NOT offered by the listing brokerage to your buyer agent, the seller may refuse to agree to compensate your buyer agent as well, and the seller may even refuse to offer a seller concession. In this case, you could simply adjust your offer price accordingly and then agree to pay your buyer agent compensation at closing out of pocket. No addendum is required for this strategy.

SELLER ROADMAP



SET THE STAGE

Prepare
Activate



SHOWCASE

Introduce
Expose



SELL

Coordinate
Close



THE MODERN PLEDGE

We pledge to provide these services to the best of our ability, working tirelessly on your behalf until your home is sold and closed.

PREPARE

- Market Analysis
- Pricing Strategy
- Listing Agreement Documents
- \$ Home Staging Consultation
- \$ Professional Photography
- \$ Professional Media
- Custom Listing Description
- Approval of Listing by Seller

INTRODUCE

MARKETING TO BUYERS

- Mass Email to Buyer Database
- Direct Buyer Reach Outs
- Buyer Incentive Offers
- E-Blast to Brokerage Database

MARKETING TO AGENTS

- Office Presentation
- Mass Email to Agent Network
- \$ Commission Bonus to Agents

COORDINATE

- Showing Feedback Analysis
- Offer Negotiations
- Net Sheet Analysis
- Contract Review
- Contract Delivery
- Earnest Money Deposit

ACTIVATE

- Seller Disclosures with Listing
- Utility Usage History
- Specific Showing Instructions
- Coordination of Mortgage Payoff
- \$ Ordering of Spare Keys
- Delivery of Electronic Lockbox
- Installation of For Sale Signage
- Coordinating Directional Signage
- \$ Inclusion of Flyer Box with Sign
- \$ Production of In-House Book

EXPOSE

INTERNET MARKETING

- \$ MBOR Affiliate Network
- \$ Realtor.com
- \$ Zillow.com
- \$ Trulia.com
- \$ Homes.com

SOCIAL MEDIA LEVERAGE

- Facebook
- Instagram
- YouTube

- \$ Open Houses

CLOSE

- Negotiate Inspection Issues
- Title Insurance Order
- Appraisal Order
- Coordinate Utilities Transfer
- Final Walk Through
- Schedule Closing Appt.
- Proceeds Analysis
- \$ Attend Closing Appt

\$ = Modern Expense

61%

LISTINGS SOLD
IN ONE WEEK
OR LESS

79%

LISTINGS SOLD
IN ONE MONTH
OR LESS

18

AVERAGE
DAYS ON
MARKET

0%

AVERAGE
DISCOUNT FROM
LIST PRICE

*Sourced from the Midland Board of REALTORS® reflecting Modern Realty listing data 01/01/2020 - 12/31/2023

SELLER AGENCY EXPLANATION

"As a home seller you have a wide range of choices when it comes to listing your home. Agents who are Realtors® are a trusted source of advice and stand ready to help you navigate this complex process and make the choices that work best for you."

- National Association of Realtors®, 2024

WHAT IS A LISTING AGENT?

A listing agent (also known as the Seller's agent) is a term used to describe a Realtor® who acts solely on behalf of you as a seller and in the best interest of only you throughout the transaction.

WHY SHOULD YOU HIRE A LISTING AGENT?

When selling your home, you need to be represented by a professional who knows exactly how to guide you through the complicated process.

WHAT ARE THE BENEFITS OF HIRING A LISTING AGENT?

- | | |
|-------------------------------------|------------------------------------|
| ✓ Professional representation | ✓ A comprehensive pre-listing plan |
| ✓ Maximum exposure to buyers | ✓ Extensive marketing investments |
| ✓ Access to statistical market info | ✓ Strength-based negotiations |
| ✓ Objective and unbiased advice | ✓ Transaction management |
| ✓ Clear & transparent communication | ✓ Checklist style systems |

HOW IS COMPENSATION HANDLED?

Compensation remains fully negotiable, and if your agent is a Realtor®, they must abide by the Code of Ethics and have clear and transparent discussions with you about compensation. Your agent must also conspicuously disclose to you and obtain your approval, in writing in advance, for any payment or offer of payment that a listing broker will make to another broker acting for buyers. Your agent simply cannot include it on a Multiple Listing Service, although offers of concessions can be made on the MLS.

SELLER LISTING STRATEGY

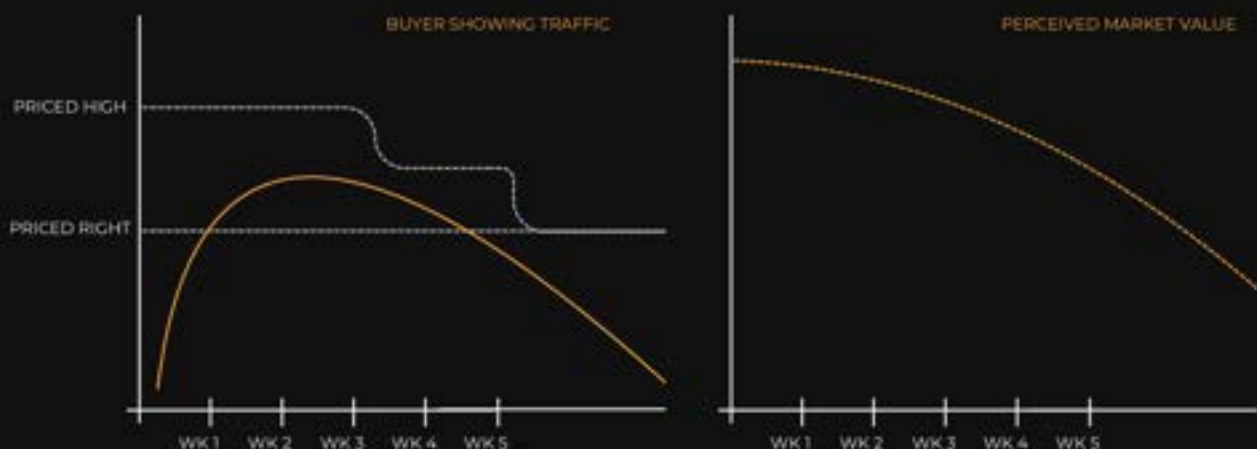
BUYER PRICING PYRAMID

Typical supply and demand forces apply to showing traffic with listings. The closer to the true market value a home is listed, the greater the number of potential buyers will come to take a look at it.



BUYER TRAFFIC & PERCEIVED MARKET VALUE ANALYSIS

The majority of showing traffic tends to occur in the first few weeks on market when a listing is new and fresh. If the listing is overpriced it is less likely to generate showing activity during that crucial marketing period. Buyer perception of the market value of a home decreases over time. The longer a home is on the market the less a buyer feels it is worth simply because the buyer assumes the home is overpriced and/or has an issue or it would have sold already.



SELLER COMMISSION STRUCTURES

At Modern Realty we believe that to achieve the highest and best sale price for our clients we need to cooperate with all the agents in our market.

WHAT HAPPENS IF WE DO OFFER BUYER BROKER COMPENSATION?

- ✓ Buyers know they do not have to pay out of pocket for their buyer agent representation.
- ✓ Buyer agents know they will be compensated for bringing the qualified buyer.

WHAT HAPPENS IF WE DO NOT OFFER BUYER BROKER COMPENSATION?

- ✗ We run the risk of reducing our potential buyer pool, because most buyers insist on having their buyer agent compensated by the listing office as has been traditionally the case for the past few decades.
- ✗ Buyers may request the seller pay the buyer agent compensation in their offer anyway.
- ✗ Buyers may request seller concessions to subsidize the outlay required to pay their agent out of pocket.
- ✗ Buyers might reduce their asking price to account for having to pay their own agent out of pocket.

89%
OF HOMEBUYERS
WORK WITH
AN AGENT

*Sourced from the 2023 Profile of Home Buyers and Sellers (National Association of REALTORS®)

SELLER COMMISSION STRUCTURES

	RESIDENTIAL		COMMERCIAL		VACANT LAND	
Commission Rate	LA	BA	LA	BA	LA	BA
LA = Listing Agent BA = Buyer's Agent	3%	3%	4%	4%	5%	5%
Listing Admin Fee	\$0		\$0		\$0	
*Paid by Seller in advance						
Early Termination Fee	\$0		\$0		\$0	
Attractive to Buyers	✓		✓		✓	
Attractive to Agents	✓		✓		✓	
Most likely to generate highest net to Seller	✓		✓		✓	

NOTE: By law, commission rates have always been and continue to be negotiable between listing brokerage and seller.

We suggest a listing commission structure in which the listing broker charges a full commission to the seller and then offers compensation to any agent that brings a buyer to the table. This structure incentivizes all the agents in the market to bring buyers to the table and also incentivizes buyers to make an offer on your home, because they know they will not have to pay their buyer agent commission out of pocket. The combination of these two incentives is likely to produce the most showings, the most offers, the most competition on the listing and is likely to net the seller the most money for the home.

85%	87%	88%	100%
OF SELLERS AGREED THAT AGENTS PROVIDE A BROAD RANGE OF VALUED SERVICES	OF SELLERS SAID THEY WOULD RECOMMEND THEIR AGENT FOR FUTURE SERVICES	OF HOMES FOR SALE ARE LISTED ON THE MULTIPLE LISTING SERVICE (MLS)	THE MEDIAN PERCENTAGE OF FINAL PRICE TO LISTING PRICE OF RECENT HOME SALES

*Sourced from the 2024 National Association of Realtors® (NAR) Home Buyers and Sellers Generational Trends Report

BUY **AND** SELL STRATEGIES

BUY THEN SELL

With this strategy the client can buy the new home and close on that transaction first and then sell and close on the existing home after.

SELL THEN BUY

With this strategy the client can sell the existing home and close on that transaction first and then buy and close on the new home after.

BUY CONTINGENT ON SELLING

With this strategy the client can buy the new home contingent on the ability to sell and close on the existing home at the same time.

SELL CONTINGENT ON BUYING

With this strategy the client can sell the existing home contingent on the ability to buy and close on the new home at the same time.

	BUY THEN SELL	SELL THEN BUY	BUY CONT. ON SELL	SELL CONT. ON BUY
the client CAN be patient buying the new home	✓	✓	✓	✗
the client CAN be patient selling the existing home	✓	✓	✗	✓
the client CAN be patient moving into the new home	✓	✓	✗	✗
the client offer IS NOT contingent on the sale of the existing home	✓	✓	✗	✓
the client offer acceptance of the existing home IS NOT contingent on the purchase of the new home	✓	✓	✓	✗
the client DOES NOT need to negotiate pre or post closing occupancy between transactions	✓	✓	✗	✗
the client CAN sell the existing home empty	✓	✓	✗	✗
the client DOES NOT need short term housing between transactions	✓	✗	✓	✓
the client DOES NOT have to qualify for two mortgages at once	✗	✓	✓	✓
the client DOES NOT run the risk of carrying two mortgages at once for an indefinite period	✗	✓	✓	✓

FAQ

WHAT IS DUAL AGENCY?

Dual agency is simply when a Realtor® represents both the buyer and the seller in a real estate transaction with the informed consent in writing of both parties.

MANUFACTURED VS. MODULAR HOMES

Manufactured homes and modular homes are both prefabricated structures, partially or fully constructed in off-site factories, then transported to the property and placed on a temporary or permanent foundation. The primary difference is that modular homes are held to the same local, state and regional building codes required for on-site aka "stick-built" homes, while manufactured homes are held to a federal code set by the Department of Housing and Urban Development aka "HUD" and have the ability to be moved from one location to another.

OPEN HOUSES

An open house is an occasion in which a homeowner and the Realtor® invite the general public to view the property for a short period of time. Visiting open houses is a great way to learn about the current real estate market and to view available inventory. The open house is typically hosted by the listing agent (who represents the seller). If you are a buyer at an open house, you never want to disclose any confidential information to the listing agent. Simply inform the listing agent that you already hired a buyer agent, and if you are interested in the home, contact your buyer agent to investigate it further.

FOR SALE BY OWNER (FSBO)

A home listed for sale by owner is when the seller chooses not to hire a listing agent. Most sellers don't hire a listing agent because they want to save money on the commission. But the vast majority of them WILL pay a buyer agent commission IF that buyer agent brings the buyer to the table. If you are a buyer interested in a FSBO listing, be sure to have your buyer agent call the seller to set up your appointment and eventually to present your offer. This will ensure you have the needed representation of your buyer agent.

CONTACT INFORMATION

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