

# HOMESALE NEXT PRACTICES

Home sale programs can be one of the most valued yet expensive provisions to provide relocating employees. To control costs we developed a series of Best Practice recommendations to optimize this essential component of your mobility program. Our home sale programs offer distinctly different approaches designed to **make a market** and **create demand** for employee homes. These programs leverage cutting-edge tools, technology and processes to power seamless collaboration and knowledge-sharing between brokers, appraisers and other real estate specialists. Working together, this team analyzes each property, identifies the target buyer, forecasts the anticipated sales price and develops a custom marketing plan to achieve that price in the shortest possible timeframe. The programs listed below offer a better way to get your employees' homes sold under *any* market conditions.

## GBO Program Best Practices

## BVO Program Best Practices

## Inventory Best Practices

Our Guaranteed Buyout Offer (GBO) program Best Practices are based on three important principles: make a market for the property; create demand within the market base; and most importantly, devise collaborative marketing strategies to implement when properties are listed for sale.

1. Require utilization of Weichert Broker Network (WBN) real estate brokers to complete two Broker Market Analysis (BMAs) for all properties.
2. Eliminate deferred appraisal programs and complete pre-acquisition activities immediately (BMAs, title search, inspections, & preliminary equity).
3. Set buyout period at 90 days and Require mandatory marketing timeframe aligned to run concurrently with the buyout period.
4. Complete inspections on all homesale properties, regardless of age, & require employees to take corrective action to repair all identified issues.
5. Require employees to collaboratively market properties and present all offers to Weichert.
6. Pay home sale bonus of 1%-2% for sale secured within a pre-determined timeframe(s); consider sliding scale of 2% if under contract in the first 60 days on the market and 1% if sold within 61-120 days.
7. Set list price restrictions capped at 105% of BMAs average most probable sale price & adjusted to 103% of GBO.
8. When deemed appropriate, offer buyer incentives up to 2% to be competitive in the market and create demand.
9. Pay home sale bonuses to employee for sales at 95%-97% of the Guaranteed Buyout Offer.
10. When deemed appropriate, use agent incentives to generate showings and offers.
11. Eliminate homesale eligibility & repair requirement exceptions.

The absence of a guaranteed buyout offer does not mean acquisition-related activities should not be completed immediately. Other than extending a buyout offer, we recommend you mirror all the elements of a GBO program for managing Buyer Value Option (BVO) program properties.

1. Require utilization of Weichert Broker Network (WBN) real estate brokers to complete 2 Broker Market Analysis (BMAs) and to list for all properties.
2. Use ERC appraisals as integral marketing input in market areas where deemed appropriate.
3. Complete pre-acquisition activities immediately (BMAs, title search, inspections, & preliminary equity).
4. Require employees to collaboratively market properties and present all offers to Weichert.
5. Set list price restrictions capped at 103%-105% of the average most probable sale prices as taken from the BMAs
6. When deemed appropriate, offer buyer incentives of up to 2% to be competitive and increase demand.
7. Pay home sale bonus of 1%-2% for sale secured within a pre-determined timeframe(s); consider sliding scale of 2% if under contract in the first 60 days on the market and 1% if sold within 61-120 days.
8. When deemed appropriate, use agent incentives to generate showings and offers.
9. Eliminate homesale eligibility & repair requirement exceptions

Strong demand means that homes coming into inventory have been overpriced or are in poor condition. Corrective pricing and improvements can minimize days on market. We recommend the following:

1. Utilize Weichert-selected listing broker.
2. List properties at or below appraised value upon acquisition & adjust based on inventory BMA.
3. Pay market-based real estate commissions.
4. Order an appraisal for GBO homes in inventory >120 days, for BVO homes where the sale falls through after acquisition, and complex properties that had extended market exposure prior to inventory.
5. Place home warranty plans on all properties.
6. When deemed appropriate, consider a mortgage buydown to stimulate interest and increase demand. This should minimize price reductions by offering below market interest rates with a temporary buydown.
7. Based on Weichert analysis of real estate market and property, authorize 10% resale loss-on-sale limits.
8. Pre-authorize standard repair & improvement limits for all properties at 2% of the acquisition price up to \$5,000, whichever is greater
9. When approval is required, respond to repairs and improvement requests and offers within 1 business day.
10. When deemed appropriate, use agent incentives to generate showings and offers.