

Chapter 7



Marketing & Advertising

Chapter 7 Goals:

- Homeowner-Real Estate Agent Communications
- Open Houses
- Marketing Plan
- Disclosures
- Listing modifications and extensions

Chapter 7: Marketing & Advertising

Key Terms

Advertising AIDA Concept bait and switch advertising blind ad broad advertising car sign classified ad creating attention direct mail discriminatory advertising display advertisement	gift advertising information box logo marketing newsletter niche-marketing online advertising outdoor advertising pamphlet pocket listing	press release print advertising print media property brief rider strip search engine optimization (SEO) specific advertising talking sign target market
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Chapter Overview

This chapter will introduce the concepts of marketing and advertising and explain the vital role they play in the real estate industry. It will cover:

- Marketing vs. Advertising
- The components of effective marketing
- The AIDA concept
- Budgeting for advertising
- Advertising methods
- Legal and illegal advertising practices

Marketing vs. Advertising

Marketing and advertising are often used interchangeably. However, while they are both used to achieve the same goal, they are distinct.

Marketing refers to the process of preparing a product or service for the marketplace. This includes doing consumer research, creating a brand, and designing materials that will appeal to a particular audience.

Advertising is the process of presenting that product or service to the marketplace.

Marketing identifies the target audience; advertising is used to target that audience.

Marketing

Effective marketing has the ability to convince consumers to make decisions, such as purchasing or buying a home. Consequently, an agent's marketing plan is crucial to his or her success.

The key components of an effective marketing strategy include:

- Target market
- Effective marketing materials
- Proper timing

Once an agent creates a marketing strategy for a seller's listing, he or she should provide a copy to the seller.

Target Market

The goal of advertising is to reach the audience with the highest likelihood of being converted into paid clients. Therefore, an agent must identify his or her **target market**.

An agent's target market depends on the area in which the agent operates and the types of clients who live there. An agent can target consumers based on factors such as age, income level, and demographics.

For example, is the agent trying to sell luxury condominiums or vacation homes in an affluent suburb? Or does the agent operate in a neighborhood with mostly middle class, working families?

Once an agent has identified his target market, the agent should tailor his or her message to show how his or her services can directly benefit that particular audience.

For example, if an agent's target audience is predominantly young families, the agent may choose to highlight kid-friendly neighborhood attractions in his or her marketing materials.

Each market presents different opportunities. What works in one area may not work in another. It is an agent's job to discover **niche-marketing** opportunities based on the specific market he or she serves. Niche marketing is a marketing strategy that is specific in nature for the market one is serving. For example, a company that sells toys is not going to want to market their products on a channel or magazine that caters to seniors. Rather, niche marketing in the case of the toy company will likely market the products on a children's television channel or kids magazine.

If an agent is on a budget, he or she should advertise properties that have the most general appeal.

Effective Marketing Materials

In the highly competitive field of real estate, an agent must find ways to make him- or herself stand out. Creating effective marketing materials is imperative in this endeavor.

The AIDA Concept

Early advertising pioneer, Elmo Lewis, developed something known as the **AIDA concept**. AIDA stands for attention, interest, desire, and action.

Attention

Creating attention is the first step for any successful advertising campaign.

Consumers are inundated with advertisements all day long. Advertisements only have a short window of time and a few words to keep their attention. This means that every word and image must have a strong effect.

An agent should consider the following when trying to get attention:

- *Strong, short messaging.* Concise messages (i.e. witty or emotional one-liners) maximize readers' short attention spans.
- *Colors.* Advertise with bold, bright, and/or contrasting colors.
- *Font.* Use unique or contrasting fonts. Do not overuse capital letters.
- *Imagery.* It is preferable to have one large image rather than multiple small images. The use of logos draws attention through brand recognition.
- *Spacing.* White space can emphasize an advertisement's message and avoid distracting "clutter".
- *Size/Shape.* Advertisements should be large enough to be read at a distance, if necessary. Unique or oddly shaped materials stand out.

Interest

Once an advertisement has drawn the attention of consumers, an agent is in a position to turn that attention into genuine interest.

An advertisement should remind consumers of the benefits of a particular listing. This typically involves selling a property's best features. For example:

- A home's most desirable features (i.e. pool, large backyard, high ceilings)
- A home's location (i.e. proximity to schools or shopping centers, desirable neighborhood)

- Special incentives to buy a home (i.e. seller financing, low down payment loans, low interest rates, special circumstances for the distribution of closing costs)

Advertisements should use descriptive language, strong adjectives, and compelling imagery to generate interest in a property. For example:

- *“Spectacular estate over a full 1.2 acres of pristine land, located in the heart of Los Angeles. With 5 bedrooms, 4 bathrooms, and a royal entrance with 30-foot ceilings, be prepared to host the best parties and events in town.”*

Even if a property is far from ideal or has few attractive features, every property provides some benefit. Descriptive language can emphasize a listing’s positives while downplaying its negatives. For example:

- *“Fixer-upper has massive potential for homeowners and investors alike! With over 2,500 square feet of property to work with, a new owner can build a large home at a discounted price. Buy now!”*

A **logo** is an identifiable symbol or design that is used to identify a company or product. A logo should illicit emotion and be memorable, which in turn should create interest.

Desire

Effective advertising reminds consumers of what they want, and then presents a service or product as being able to fulfill those desires.

Seasoned agents recognize that words have the power to evoke emotions in clients and that these emotions can sway clients to make different decisions in a real estate transaction. An agent’s advertising should elicit emotional responses by appealing to notions such as comfort, security, prestige, or style.

For example:

- *“The kitchen is sure to delight the senses of even the most discerning chef.”*
- *“Here is your chance to live in a Mediterranean masterpiece.”*

Action

The purpose of all advertising is to create consumer action. Therefore, an effective advertisement should include a “call to action”.

Although an agent’s ultimate goal is to make a sale, his or her “call to action” does not always need to be about a purchase. Instead, an advertisement may encourage a consumer to call the agent, visit the agent’s website, or attend an open house for one of the agent’s listings.

Photography

The old saying goes: “A picture is worth a thousand words.” Photographs can show a home’s best features – the spaciousness of the master bedroom, modern appliances in the kitchen, or the unique molding in the living room – without a single word.

Listings with high-quality photographs will have a competitive advantage over other listings. Photographs can cultivate buyer trust in a property. They can be what entices a potential buyer to schedule a walk-through or attend an open house.

Many agents can pay a professional photographer to take photos of a listing to be used on the MLS, the agent’s website, and in advertisements.

Advertising

The real estate marketplace is full of listings and agents. With so many choices available, consumers can become overwhelmed at the thought of selecting the right one. Advertising removes the confusion by putting an agent’s services or listings in front of the consumers who will benefit most from them.

Advertising is an ongoing, long-term endeavor. Consistency is important. Most consumers will not remember an agent after seeing a single advertisement. Continued advertising builds recognition and gives consumers the impression that an agent is successful.

Budget

Advertising can be costly, but there is a reason why agents spend as much money on it as possible: it works.

Advertising helps an agent build up name recognition and widen his or her client base. The more eyes on an agent and his or her listings, the higher the likelihood that the agent will make a sale. Therefore, the more an agent advertises, the more money he or she stands to make.

A beginner agent’s advertising budget may be minimal. However, an agent should prioritize advertising to his or her target audience through any means necessary.

Technology and the Internet have dramatically shifted consumer behavior in regards to real estate. Today, the majority of consumers begin their property or agent searches online. Consequently, agents have changed where they spend their advertising dollars in order to maximize their exposure to consumers.

	Traditional	Current
Newspapers	40%	10%
Other print	20%	5%
Direct mail	15%	15%
Online	15%	60%
Signs	5%	10%
Yellow Pages	5%	0%

Clearly, traditional **print media** has been largely replaced by online advertising. However, each individual market is different. An agent should allocate his or her advertising budget based on the needs of his or her target market.

For example, an agent who is targeting younger consumers may spend the majority of his or her advertising budget online. However, an agent who works primarily in neighborhoods with older demographics may continue spending a large portion of his or budget on traditional print media.

Smart agents save a large percentage of their earnings (up to 30%) for future advertising campaigns. Although this is a large percentage of an agent's income, strict budgeting and consistent advertising are necessary to generate a steady stream of transactions.

Advertising Methods

There are two main types of advertising in real estate:

Broad advertising is used to create branding for an agent or an agent's firm. This generalized advertising highlights who an agent is and the type of business he or she runs. If an agent has enough money to advertise, consumers will naturally believe that he or she has legitimacy and expertise. An agent who builds brand recognition and a consistent reputation in the local market will generate more business.

Specific advertising serves a particular purpose. It is most often aimed at marketing a seller's available listing to potential buyers.

An agent may use various advertising methods under the umbrellas of broad and specific advertising to target audiences.

Signage

“For Sale” Signs

“For Sale signs” are an inexpensive, time-tested real estate advertising method.

An agent should design a “For Sale” sign for a seller to place outside his or her home. A “For Sale” sign should include the agent’s name, the brokerage name, the agent’s phone number, and one to two characteristics of the property. For example:

- *“FOR SALE: Spacious home with three bedrooms. Call (213) 453-7617 or check out www.newhillsrealty.com.”*

Many interested buyers will be people who already live in the area. Therefore, a “For Sale” sign’s design should attract walkers, bikers, and drivers who pass by. Some suggestions to make a sign stand out include:

- Use bold and bright colors, such as red, orange, and yellow
- Use contrasting colors, such as a red font with a black border
- Use oversized or oddly-shaped signs
- Have multiple signs
- Use a light to illuminate the sign at nighttime
- Feature the agent or brokerage’s logo to create name recognition

The catchier the sign, the more likely buyers and agents will be to inquire about the property.

A **rider strip** is a mini-sign that can be attached to the bottom of a “For Sale” sign. It conveys basic information about a listing, such as the number of bedrooms or square feet. A rider strip should include an agent’s cell phone number.

An agent may also place an information box below a “For Sale” sign. An **information box** holds property briefs that can be taken by anyone who passes.

A **property brief** highlights the most desirable and important features of the home. A high-quality property brief will not only help to attract buyers and agents, but it will also establish an agent as professional. It should include:

- A short, effective description of a property
- Bullet points with a home’s basic information, including age, lot size, home square footage, and number of bedrooms and bathrooms
- Unique features or amenities (i.e. pool, guest house)
- One high-quality exterior photo and a few interior photos

- A website that provides more information about the listing, which is typically the agent's website


An agent should prepare a property brief for a seller after he or she has been authorized as the exclusive agent. The agent should provide a copy to each agent in his or her office and keep a digital copy that can be easily sent to interested buyers or agents.


An agent may also mail or deliver property briefings to homeowners who are currently selling their homes, as many homeowners relocate to another home in the same neighborhood.

Amazing Investment Opportunity


Beautiful home sitting on the majestic hilltops of Santa Anita. Massive backyard, kitchen and rooms. Property has spacious living area with a three car garage. Two fireplaces and newly built entertainment area.

4783 Santa Anita Way





Josh Eskimo
Nationwide Financial
348 North Lane, CA 90067
Office: 310-555-7398
Fax: 310-555-4894
Email: Josheskimo@realtorbrief.com
Website: Josheskimorealtorbrief.com



Talking Signs

A **talking sign** refers to a "For Sale" sign that has an attached radio broadcast. The sign provides a radio frequency/station. Drivers who pass by can tune into the advertised station on their car radios and hear an informational broadcast about the listing.

A broadcast can typically be transmitted at a range of 250 feet. This allows an interested driver to park nearby and listen to the broadcast without getting out of his or her car.

A talking sign can pique the interest of drivers passing by and allows an agent to reach prospective buyers who don't have time to stop by the listing.

Outdoor Advertising

Outdoor advertising, also known as out-of-home advertising, refers to advertisements placed in public spaces. These advertisements may be on billboards, park benches, or public transportation.

Outdoor advertising tends to work best in crowded, metropolitan areas where a maximum number of people will see it. Such advertisements can be particularly effective at creating excitement for large condominiums and development projects that are completed or near completion.

The relatively high cost of outdoor advertising limits this method to agents, firms, and/or development companies who represent large real estate transactions.

Car Signs

An agent spends much of his or her time on the move. Consequently, an agent's car can become an effective broad advertising tool.

An agent may use a car sign (i.e. sticker, magnet) to advertise his or her services. Such a sign should include the agent's name, phone number, and a strong message to engage potential clients.

Print Advertising

Newspapers

Newspapers are one of the most effective advertising methods for agents because of the large, consistent consumer base they provide. Although newspaper advertising has diminished over the past decade in favor of online advertising, newspapers are still an effective advertising method for agents.

Large newspapers are relatively expensive and do not allow an agent to target a particular audience. It is easy for an agent to spend a sizable amount of his or her advertising budget on ads in large newspaper without getting results. Consequently,

placing ads in large newspapers is recommended for larger firms and more established agents, or for larger, more lucrative deals.

Local newspapers, however, are a time-tested advertising method for all agents.

An agent should research the types of newspapers read by his or her target audience and place advertisements in those papers. For example, an agent who covers an area with a large Chinese population may choose to advertise in a Chinese newspaper.

An agent should create two to three high-quality ads for each of his or her listings. The agent should then inform sellers when and where the ad will appear.

Newspaper and other print advertisements are typically priced based on size. An agent may be tempted to run a bare-bone advertisement with basic information about a property in order to save money on ad space. However, bland advertisements will fail to garner adequate attention from consumers. An agent does not need many ads to get results. It is more effective for an agent to place a compelling advertisement one time than to run an ineffective advertisement several times.

Classified Ads

Classified ads are placed in the classified section in a newspaper. An ad should include a short description of a property, the agent's name, and his or her phone number.

As the classified section is dedicated specifically to ads, there is a high level of competition for consumer attention. Consumers generally scan the classified section and an agent has limited space to make an appeal. Strong, descriptive language and a clear "call to action" will help a classified ad stand out.

Although classified ads have diminished in recent years, their importance cannot be understated. Readers of the classified section tend to be people over the age of 50. Many of these readers buy a newspaper solely to view the classified section, some of them buyers and sellers who need real estate services.

If an agent is trying to reach a younger clientele, however, classified ads may not be the most effective advertising method.

CLASSIFIEDS

Commercial Real Estate For Sale	Residential Real Estate For Sale	Jobs	Warehouse/Industrial	Palm Beach
FCC RISCHER • GAETA • CROMWELL Commercial Real Estate Services FOR SALE ■ PALM BEACH GARDENS 4,147 SF of class A office condos with 1-95 frontage Delivered Fall 2005 \$922,400 shell #706 ■ WEST RIVIERA BEACH Haverhill Industrial complex 4.4 acres-40,000 SF of show- room/warehouse, fenced yard, trucks, equipment & much more. \$5,500,000 #776 ■ WEST PALM BEACH 3,900 SF in 2 bldgs. 260 frontage on Belvedere W-Air- port Comm zoning. Auto sales & rental OK. \$1,700,000 #779 ■ LAKE WORTH 1,900 sf office/retail bldg. direct frontage on Lake Ave. "MC-1" zoning Can add 2 story Work area \$650,000 #788 ■ WEST PALM BEACH 4,200 SF retail/office condo close to I-95 at the Gateway to SCRP. PPS, Endcap. \$ \$588,000 #763 ■ WEST PALM BEACH 1,200 SF bldg with 60' front- age on Broadway in WPB. CIO zoning. Auto sales & repair OK. \$550,000 #782 FOR LEASE ■ RIVIERA BEACH 33,000 SF office showroom. Fronts Congress #297L ■ PALM BEACH GARDENS	Need to buy or lease Commercial Property? Visit PalmBeachPost.com & click on Real Estate to find the most current local listings. Commercial Real Estate Rent/Lease Boynton Bch Medical office 1050 sq ft. completely parti- tioned, handicap bath, rea- sonable rates. near I-95. Bossco Realty 561-844-5500 Coco Plum Plaza - now renovating. bays from 8,000, 2400, 1400, 850. Military Tr N. of Okeechobee, retail or business use 561-296-2848 JUPITER Office/Warehouse For Lease in Heart of Jupiter. 1200 sf. Security system. New Interior Great location! \$1500/mo. 561-371-0888 LAKE PARK - TOP SF 4300 SF. HIGH RENTALITY & TRAFFIC. FL EXEC. RLTy 561-687-1901 Ferncl@aol.com LAKE WORTH - CHURCH Complete facility 6,700 sq ft. completely built out w/class- rooms, childrens ministry, bookstore, offices, etc. avail. Sept '05. Lake Worth & Jpg 561-965-6226 561-236-0460 LOXAHATCHEE 5 ACRES 9,000 SF bldg w/dock, fully frnd. Southern Blvd & B Rd \$4,750 mo. 561-954-8370	WPB Airport Center Pvt. c/o for Lse! Best Deal from \$499mo inc. elec Steve. Bkr. 561-832-7880 WPB - Congress & 45th 1750 SF New Space. \$16 P/SF Gross. Asset Specialists 561-659-0220 WPB Downtown 250 to 500 sf single or double office starts at \$475. Conf. room, elect. & janitorial incl. 561-655-1521 FULL-TIME Unemployment Must Have 10-30 Years experience Call 555-DAMN Visit our web site at www.palmbeachpost.com MILITARY TRAIL 1800 sf 6 office suite, all uti- lities, a/c, some furnishings incl. M-F, 9-5... 845-9911 NOW PRE-LEASING St. Lucie West's Newest Class-A Office Building 1,000-28,000 SF for lease	JUPITER 2700 sq. ft. condo 5 bay, prime area \$295,000. Keyes Company Realtors Ed Baptista 772-323-5300 Jupiter Office/Warehouse 600 SF office, 1800 SF Warehouse. Available now. 561-795-8797/561-601-9593 LAKE WORTH, EAST 25 mile from I-95. For Rent: 900 SF warehouse with store- front, hurricane windows, office, bathrm & overhead door. Kyle 561-305-1480 LANTANA Rental Bays Industrial w/3-phase Avail. Aug. 4050sf & 4500sf No auto repair 561-582-1044 LW Lt Industrial bldg 10,000sf rail to bldg, 17' cell, 5 ch doors Lease \$1400/mo or Sale \$975K. Coldwell Banker Carolina Realty 561-346-5952 NEW FLEX-SPACE PBC Main County Pre-construction from \$125 sf Why rent when you can buy? OF RE & Dev. 561-622-4000 McCRAVEY PB County's Leading Provider (561) 478-4300 RIV. BCH. I-95 & Blue Heron 300-725 Sq Ft. From \$200 month. No auto repair. Call 561-547-1558 Riviera Beach Rent 4500 sq ft. dock, yard	MOVE IN SPECIALS 1/1 \$795 NEW 1/1 \$950 Intracoastal 2/w garage \$1,100. 3/2 near Intra \$1200 3/2 Lk new \$1,350. 3/2 TH 2000 sq ft \$1400. No Application Credit Problems ok. Work with money. Flt. Enterprises 561-255-1138 YACHT CLUB - Intracoastal 1 & 2 Br from \$1050/mo Jay Stein 561-213-6764 www.RealtyWorldBocaRaton.com \$0 Sec' 3br \$1200 Pets ok! Tile, Split Bedrooms 561-572-2400 FLORIDA RENT FINDERS Need an apartment? Visit PalmBeachPost.com and click on Real Estate to find local listings. Marina Beach 1/1 1300 Luxury Turn Condo Annual. 561-373-3810 Jordyn Taylor Properties 1/1 \$650 Patio Design. Pool huge scnd patio, tile, bike to beach, private setting, tropi- cal views, walk-in closets. 561-733-2121 buyrentree.com 1/1 \$700; 2/2 \$800 3/2 \$900 Pets Ok 572-2400 FL RENT FINDERS

Magazines

Similar to newspaper advertising, magazine advertising allow agents to leverage a large, pre-existing audience.

Most major cities have homebuyer magazines with listings and property information. Some home magazines cover luxury, investment, or single-family residences, or a combination of them. Agents should advertise in the magazines that cater to their target market.

For example, if an agent is trying to sell an expensive investment property, he or she may advertise in an investor magazine. It would not be effective to run such a listing in a local real estate magazine whose readers are low-income or first-time buyers.

The major drawback of magazine advertising is that it is costly. However, the ability to reach a particular audience can be worth the price for agents looking to sell their listings as fast as possible.

Newsletters

Newsletters are sent to residences in a particular area to make buyers and sellers aware of an agent's services.

Newsletters provide the public with free, pertinent information about the local real estate market. This may include recent sales, new listings, neighborhood events, or development projects. This gives an agent the opportunity to showcase his or her real estate knowledge.

A newsletter can be:

- Directly mailed to people in the neighborhood
- Distributed to people who attend an agent's open houses
- E-mailed to an agent's network
- Circulated on an agent's website

Most recipients of an agent's newsletter will not need real estate services at the time they receive the newsletter. However, if an agent provides consistent newsletters with useful information, they will remember the agent when they do.

Newsletters have the ability to bring a significant amount of traffic to an agent's website and open houses.

Pamphlets

A **pamphlet** can act as a miniature version of an agent's website. It should highlight an agent's real estate skills and qualifications, including an agent's recently sold properties, neighborhood information, and the agent's methods for buying and selling real estate.

The pamphlet should also have a "call to action", such as signing up for an agent's email list.

Press Releases

A **press release** is a written or verbal communication to the press announcing something newsworthy. An agent may issue a press release in regards to one of his or her properties. Local media outlets often use high-quality press releases to provide informative content for their readers.

For example, an agent could announce the completion of a new condominium project or the sale of a historical property.

A press release allows an agent to garner free publicity for a listing and his or her firm.

Direct Mail

Direct mail targeted at a specific audience is an effective advertising method.

Sending direct mail on a monthly or bimonthly basis helps an agent create local brand recognition. It can be in the form of postcards, pamphlets, business cards, letters, pictures, or CDs.

An agent should not expect results immediately. The purpose of direct mail is not necessarily to convince neighbors to buy or sell right away, but rather to convince them to call the agent when they are ready to buy or sell.

Consistent direct mailings can be costly. However, it can be very effective when one considers that a single sale resulting from a direct mailing will pay for years of direct mail costs.

Online Advertising

Email

Emails are an effective, inexpensive way to engage buyers, sellers, and other agents.

People are bombarded with countless emails every day. An effective agent email uses strong, straightforward language that piques reader interest and makes them want to learn more. For example:

- *“Want luxury? Check out this home!”*
- *“We have your family’s future home.”*

Dear _____,

In the past you have inquired to find a suitable investment opportunity. Look no further!! Our office recently obtained a great investment property that has a 7% cap rate and a substantial amount of potential.

Grab this property before it's off the market because you will likely not find another property with this rate of return.

This property is in a growing neighborhood which means the 7% cap rate will increase even higher. Contact our office for more information.

Sincerely,

Agent's Website

As explained in Chapter 4, an agent's website acts as a virtual spokesperson for an agent's brand.

An agent should place all new listings on his or website and list that website on other marketing materials (i.e. signs, classified ads, newsletters). This creates a continuous advertising loop and gives potential clients the opportunity to seek out more detailed information about a listing.

Search Engine Optimization

Search engine optimization is the act of ranking a website higher on the search engine's unpaid results-also referred to as organic results. The higher a website is ranked on the search engine, the higher the likelihood that a website will get more traffic and thereby more revenue.

Search engine optimization takes into account the terms users are searching and how relevant a given website is to that searcher. Optimizing a website involves adding content, getting links from other websites, and getting the site indexed.

In order to rank a website higher on the search engine the webmaster should focus on writing as much relevant content and information as possible. This sends signals to the search engine's algorithm that the website is relevant for the keyword being searched.

An agent's website should have new weekly, biweekly, or at the very least, monthly content. Content helps search engines pick up an agent's website, which subsequently helps customers find it.

An agent may feature a blog component on his or her website as a means of generating content. Similar to a newsletter, a blog allows an agent to provide free, up-to-date information about the real estate market to potential clients.

A blog's success is determined by how consistent an agent is with his or her posts.

Real Estate Websites

Real estate websites have the ability to connect millions of active buyers, sellers, and agents. An agent can maximize his or her chances of closing a deal by listings on as many high-quality real estate websites as possible.

Such websites may be exclusive to real estate professionals (i.e. the MLS) or they may be open to buyers and sellers (i.e. Redfin, LoopNet, Realtor, Trulia).

Real estate website fees vary between pay-per-click to daily, weekly, or monthly fees. They can also sponsor an agent's listing to boost its exposure for an additional fee.

Display Advertisements

Display advertisements refer to advertisements found on websites.

They are typically used as a branding tool for an agent and his or her firm. They also work well for agents who are selling multiple units at the same time, such as one who is representing an apartment complex.

However, display ads are expensive and tend to drive general, low-quality traffic. Therefore, they are an ineffective advertising method for new agents or small firms. Agents should not waste their advertising budgets on display ads unless they have a large enough budget to sustain them.

Multiple Listing Service (MLS)

As soon as an agent becomes the exclusive agent for a property, he or she should list the property on the MLS.

Putting a property on the MLS ensures that the listing is seen by hundreds, if not thousands, of local agents and brokers who access the MLS every day. This drives traffic to the listing and encourages prospective buyers and agents to attend showings and open houses. The MLS greatly increases a property's chances of selling and can also create competition that will drive up the final sale price.

Some sellers may choose not to publicly list their property. A home that is not listed on the MLS is known as a **pocket listing**. A seller may choose to do a pocket listing out of privacy or safety concerns. An agent should inform a seller who is adamant about a pocket listing of the potential drawbacks of doing so, such as the property taking longer to sell and it selling for less money.


**MLS #75241234 - Active
Single Family Residence**
**323 Carolina St
San Francisco, Ca: 90001**
List Price: \$1,989,000
**Total Rooms: 6
Full/Half/Master Baths: 1/1
Unit Placement: -
Grade School: Ohio Elementary
High School: Washington High
Directions: Southwest corner of Braxston Drive**
**Bedrooms: 6
Fireplaces: 1
Unit Level: 2
Middle School: Lincoln**
Remarks

Spectacular estate over 1.5 acres of prime real estate. Situated over the hilltops of San Francisco bask in the glory the city has to offer. Drive 5 minutes down the hill and go to the historic art museums, drive another 5 minutes and go some of the most famous bars, hotels and public venues, and drive another 3 minutes and you'll find yourself at Grove Fashion Mall. This 6 room, 8 bathroom estate fills the needs of even the biggest party entertainer. With a huge barbeque and pool area, enjoy your summer the way San Francisco intended. The round front driveway allows for easy access to and from your house, making for easy convene for friends and family visit.

Property Information
**Approx. Acres: 1.5
Heat Zones: Central Heat, Gas
Cool Zones: Central Air**
**Approx. Gross Living Area: 3,900 sq. ft. Garage Spaces: 2
Gross Living Area Source: - Parking Spaces: 2
Living Levels: 2**
Features

**Area Amenities: Public Transportation, Swimming Pool, Park
Appliances: Wall Oven, Dishwasher, Disposal, Microwave, Countertop Range,
Refrigerator, Freezer, Washer, Dryer
Association Pool: Now
Basement: Yes
Beach: No
Construction: Spanish
Docs in Hand: Master Deed, Rules & Regs
Electric Features: 110, Volts, 220 Volts
Energy Features: Insulatd Windows, Prog. Thermostat
Exterior: Brick
Exterior Features: Deck, Enclosed Patio, Balcony, Storage Shed
Flooring: Wood
Hot Water: Natural Gas
Insulation Features: Full
Interior Features: Security System, Cable Available
Roof Material: Asphalt/ Fiberglass Shingles
Sewer and Water: City/Town Water, City/Town Sewer
Utility Connections: for Gas Range, for Electric Oven, for Electric Dryer.
Washer Hookup, Icemaker Connection**

Other Property Info

**Adult Community: No
Disclosure Declaration: No
Exclusions: -
Lead Paint: None, Unknown
UFFI: Unknown Warranty
Available: No
Year Built: 1875/2000
Year Built Source: Public
Record
Year Built Desc: Actual
Year Round: Yes**

Tax Information

**Pin #: W:08 P:03492 S:003
Assessed: \$1,300,000
Tax: \$12,057 Tax Year: 2013
Book: 45839 Page: 429
Cert: -
Zoning Code: SFR
Map: Block: Lot:**

Directories

An agent should place his or her name in local directories, both online and offline.

Online real estate directories have the ability to bring targeted traffic to an agent's website. They also help increase the organic value of an agent's website by having it ranked higher online.

Other Advertising

Television Commercials

Television commercials have the ability to evoke emotion and interest.

Due to the high costs associated with production and airtime, however, it is uncommon for agents to have TV commercial for particular listings.

Instead, TV commercials may be used in a larger real estate firm's broad advertising campaign. For example, Keller Williams or Century 21 may create commercials to build and promote their brand.

Radio

Radio advertising has become less common, but it is still an effective form of real estate advertising.

A radio advertisement should not be used for every deal or listing an agent has. Rather, it is typically used for vacant land, large square footage or acreage properties, or lands with specific purposes (i.e. oil, mining, gold, diamonds).

Identifying a target audience is critical when it comes to radio advertisements. An agent must select radio stations whose frequencies reach the neighborhoods and markets the agent is trying to reach. An agent can then research statistics about those particular radio stations and discover the average listener's age, income level, location, education, or other factors that may determine the listener's likelihood of retaining an agent's services.

Gift Advertising

Gift advertising is an inexpensive method of advertising that involves distributing items with an agent's name and contact information on them. Such items may include notepads, pens, pencils, sticky notes, magnetic holders, maps, directories, and calendars.

Gift items can be dispersed during open houses, broker open houses, and company meetings, or delivered as direct mail to neighbors.

Gift advertising will not bring a large volume of traffic to an agent's business, but it does succeed in building brand recognition.

Legality of Advertising

California Business and Professions Code

Provisions within the California Business and Professions Code regulate real estate advertising. Among those provisions are:

- *Section 10139. "Penalties for Unlicensed Person".* An unlicensed individual claiming to be a licensed agent/broker is subject to a fine of no more than \$20,000 and/or faces a maximum prison sentence of six months. An entity claiming to be a licensed real estate corporation is subject to a fine of \$60,000.
- *Section 10140. "False Advertising".* Any agent/broker who knowingly misleads and wrongly advertises land or property is subject to a fine of up to \$1,000 and/or faces up to one year in prison. In addition to fines, imprisonment, and other local repercussions, the guilty party may lose his or her real estate license.
- *Section 10140.5. "Disclosure of Name".* An agent/broker must disclose his or her name and the state where he or she is licensed in order to represent the purchase of government land.
- *Section 10140.6. "False Advertising".* False advertising is when advertising is misleading, untrue, or intended to get consumers attention with the intent of selling them a product other than the one being advertised.
- *Section 1023. "Misleading Advertisement".* An agent/broker cannot misrepresent interest rates, loan conditions, and terms for the purpose of convincing a client to obtain a loan for the purchase of property.
- *Section 10236.1. "Inducements".* An agent/broker cannot promise gifts or incentives, or perform unacceptable activities, in return for qualifying borrowers for a loan to purchase properties.
- *Article 9, Section 2770. "Advertising".* An agent cannot advertise services or listings without identifying the principal broker responsible for representation.

- *Article 9, Section 2770.1. “Advertising, License Designation”.* An agent/broker may use abbreviations to denote his or her title in an advertisement. For example, an agent can use the abbreviation “agt” and a broker can use “bro”.

Illegal Practices

Bait and Switch Advertising

Bait and switch advertising is an illegal practice in which an agent or broker advertises a product, service, or inventory that it does not have with the intent of “baiting” customers into buying another product, service, or inventory.

It is illegal for an agent to knowingly mislead prospective borrowers by advertising inaccurate rates, terms, or conditions.

For example, say a loan broker’s advertisement claims that the broker charges a 4% interest rate. Upon signing for the loan, however, a borrower discovers that he or she must also pay a 10% service charge in order to retain the loan. This qualifies as bait and switch advertising.

An agent who engages in bait and switch advertising may be subject to disciplinary action, including damages or the suspension or revocation of the agent’s real estate license.

Blind Ad

A **blind ad** is a type of advertisement that does not indicate the identity or credentials of the party doing the advertising. For example, a classified newspaper ad that does not include the name, license status, or license number of the agent is considered a blind ad.

Blind ads are illegal.

Discriminatory Advertising

Discriminatory advertising is considered advertising that indicates any preference, limitation, or discrimination based on race, color, religion, sex, handicap, familial status or national origin.

As discussed in Chapter 2, there are various federal fair housing laws that prohibit discrimination in the real estate market. The Civil Rights Act of 1968 outlawed discriminatory advertising. The Department of Housing and Urban Development

(HUD) – which is responsible for enforcing the Civil Rights Act – has made some clarifications on what type of language is considered discriminatory.

These clarifications include:

1. *Race, color, national origin.* Advertising cannot make any mention of race, color, or national origin. Some activists have tried to ban the use of certain phrases, such as “master bedroom” (out of a belief that it refers to slavery) and “rare find”, “desirable neighborhood”, and “secluded neighborhood” (as they interpret this to mean “no minorities”). However, HUD has not banned the use of these phrases.
2. *Religion.* Advertising cannot use religion as a selling point. For example, an advertisement that states, “community with a lot of religious Christians”, is considered illegal. However, an advertisement can describe a matter-of-fact detail that relates to religion. For example: “Kosher meals served in retirement home” or “Apartment with chapel connected”.
3. *Handicapped.* Advertisements can use descriptive language that defines a home’s features – such as “jogging trails”, “great view”, or “bike paths” – even if it refers to something that a handicapped person cannot access.
4. *Familial Status.* Although advertising cannot discriminate against a particular familial status, it can use common phrases that reference a home’s characteristics and express who benefits from the purchase of the home. For example, “bachelor home”, “large family home with potential” and “quiet family neighborhood” are acceptable phrases.

U. S. Department of Housing and Urban Development

**EQUAL HOUSING
OPPORTUNITY****We Do Business in Accordance With the Federal Fair
Housing Law**

(The Fair Housing Amendments Act of 1988)

**It is illegal to Discriminate Against Any Person
Because of Race, Color, Religion, Sex,
Handicap, Familial Status, or National Origin**

- | | |
|--|--|
| ■ In the sale or rental of housing or residential lots | ■ In the provision of real estate brokerage services |
| ■ In advertising the sale or rental of housing | ■ In the appraisal of housing |
| ■ In the financing of housing | ■ Blockbusting is also illegal |

Anyone who feels he or she has been
discriminated against may file a complaint of
housing discrimination:

1-800-669-9777 (Toll Free)
1-800-927-9275 (TTY)

**U.S. Department of Housing and
Urban Development
Assistant Secretary for Fair Housing and
Equal Opportunity
Washington, D.C. 20410**