

# SCENARIO: RE ESTATE PROJECT

## LIST CONDO FOR SALE

The comparable properties indicates that the agent has the information to advise them on a listing price. A realistic selling price is used to determine the seller's net sheet in order to see if the amount of cash they will receive from the sale of the condo is enough to purchase a house. The net, after sales costs, from the condo are the amount they will have available to spend on the down payment and the closing costs for the property they wish to purchase. The agent advises them on a realistic selling price, but Gina wants more for the property. She insists that the listing should be for at least \$25,000 more than the comps because at the community pool she heard that one unit sold for that price. She feels she has put a lot of effort into decorating and wants the highest possible price. The agent indicates that the Real Estate Code of Ethics prohibits an agent from misrepresentation as to true value when taking a listing. The agent further indicates that although some other agent might automatically accept the listing at any price, this agent wants to check with their Broker prior to taking the listing at a high price to make sure if the Broker will advertise at that price. Oscar indicates that there is no rush, so they can wait.

The condo is listed for sale with MLS #6801 on May 17 and expires on September 1. A 6% commission is to be paid and split 50/50, with terms of all cash, cash to new loan, or cash to existing loan. In the listing agreement. The sellers do not agree to pay any points.

Oscar and Grethen agree to have a "For Sale" sign and a lock box placed upon the property. But, upon reading the CC&R's of the condo association, you see that exterior signs are not permitted in the common areas. The mini-blinds will remain, but not the drapes that match the bedspread in the master bedroom because Grethen wants to take them to their new home. Oscar says that the dining room ceiling fan and light was a wedding present from his grandmother. He plans to replace it with the original one that he had removed. In addition to the free standing gas stove, they now have a microwave on the counter, which is negotiable (depending upon the price that they get for the condo, and if the house they buy has a microwave). The garbage disposal, hood above the stove, and dishwasher seem okay.

Of the total number of condo units in the complex, there are three laundry rooms. Parking is underground with an opener. The condo is in the Lawndale School District. The association owns the cable and TV antennas. The dues are \$250 per month payable to CONDO MANAGEMENT COMPANY, which include water, sewer, trash, exterior maintenance, gardener, pool, recreation room area maintenance and hazard insurance. The association minutes reflect that this buildings roof is scheduled for a new roof in Spring of next year. Located within ½ mile of the 405 Freeway, just off Inglewood Ave. the building has high visibility and easy freeway access; however, there have been recent problems with some noise from the LAX flight-path and the low-flying Malathion-night-spraying helicopters for the Mediterranean Fruit Fly. The average rent for a comparable condo in the area is \$1500 per month. The MLS data "remarks" uses the same words that would be used to advertise in a classified ad to consumers/buyers as is used to attract other agents to motivate them to want to see, show and sell the unit.