

GET THE SCOOP ON...

The pleasures of surfing the Internet ■
Getting the information you need ■ What you
can and can't say on e-mail ■ Avoiding
irrelevant information

Home Shopping on the Internet

In chapters 8 and 9 we look at what real estate agents do for a living, how they conduct their business, and how they shouldn't conduct their business. More specifically, we explore how buyer brokerage gives you unprecedented power and influence in the home-buying process, and how you can use this to your best advantage when you're buying a home. When you look for a home with your agent, you should expect her to demonstrate loyalty to your financial interests and sensitivity to your needs.

If this were a book on the home-selling industry, however, we would talk about real estate agents in a very different way. Another dimension to agency is *marketing* homes effectively so that *other* agents will sell them. As a result of their marketing efforts, agents may develop such a wide customer base that they're able to sell the homes to their own clients. These agents have established a working relationship with sellers by mutual agreement. Sellers contract with them for a certain period of time to represent

Chapter 5

their homes exclusively: to market them and to sell them for a fee. This process is called *listing*, and for most residential real

“An old and venerated saying in the real estate business is ‘When you’re out of listings, you’re out of business.’ Unbeknownst to you, your eager buyer’s agent is not only helping you to buy a house, but most likely, in that cauldron of listing agents, is competing to sign up sellers.”

estate agents, listings are the bread and butter of their businesses.

As it happens, the listing side of the real estate business is ferociously competitive. That’s because most agents compete to get those prime listings—houses that ooze style and are in what’s generally considered to be a great location—in other words,

houses that will sell fast. So most agents are looking for that leg up on the competition—something they have that gives them an advantage.

A marketing tool for the agent and a resource for you

In today’s real estate world, the leg up is the Internet. Many an agent visits her prospective sellers with laptop in tow, ready to show off a personal or company Web page and to demonstrate the many features of a particular home that can be put on a Web site. “Sign on with me,” these agents say, “and you’ll get the widest possible exposure to your home.” And, they’re right! The Internet has become the first important new marketing tool for the real estate industry to appear in years.

The great news is that you can tap into all these listings logged into the Internet from the convenience of your personal computer. If you’re on-line, you can find a terrific sample of houses in all price ranges in almost every community in the United States. In fact, you might discover agents’ Web sites with three-dimensional photographic mock ups of homes.

If you feel at all comfortable with computers, we recommend that you, as a home buyer, take full advantage of a marketing tool designed to help agents and agencies appeal to sellers. In fact, many good agents promote their Web sites to sellers but actually use them to attract buyers. If they use the Internet resourcefully, you can learn a tremendous amount about available housing in the community where you intend to live, as well as about the quality of schools, the cultural life, or even the tastes and interests of the listing agent. In this chapter, we'll briefly explore how to tap into the Internet and then turn our attention to using the Internet as a critical aspect of your home search.

What? Me surf?

For many of you, the Internet is a way of life. It's how you access the greatest amount of information on every imaginable subject with the greatest speed.

For those of you who have a personal computer but have not yet gone on-line, however, we hope this chapter will give you just the excuse you need to get there. If you're already on-line and have the most basic level of computer literacy, you may wish to skip the next several paragraphs.

Getting on-line is a relatively simple and inexpensive process. All you need to do is add a modem and a telephone jack for the modem to your computer hardware and then choose an Internet Service Provider (ISP). Today, a number of well-known multipurpose commercial providers (MSN, Earthlink, and America Online

“To be a successful real estate agent today, you have to be prepared to spend money to make money. What you need to spend your money on is technology. We're almost at the point where if you're not on-line, you're going to become obsolete in the real estate business.”

—Tommy Brigham, President,
RealtySouth

are the best known) who take you from the gated communities of electronic newspapers, chat rooms, stock prices, and the like, to the diverse world of the Internet, typically for about \$20-25 per month for dial-up service. All these commercial services provide guidance in how to tap into the hundreds of thousands of Web sites available to all browsers by helping you locate and click on your particular area(s) of interest.

What is the Internet?

If you already know, you can skip this section. If you don't, here's a quick summary. Think of the Internet as you would the international telephone system. Telephone service extends all over the world. When you pick up the receiver on your phone and dial another phone, your phone company, which is analogous to an ISP, automatically routes your call through the available phone lines until the phone on the other end rings. If the phone you are calling is connected to a phone system, you can reach it, even if the phone you are calling is serviced by a different provider than the one you use, which is why, for example, people on Prodigy can communicate with people on Mindspring. You can talk to anyone who is there to answer the phone.

Instead of a phone, however, imagine a computer at each end. That's what the Internet is. It's millions of computers, all over the world, serviced by different ISPs, connected in a way that lets other computers call them up and access whatever information has been made available for public viewing. In most cases, the computer uses the same lines the phone system uses, so connections get routed through available lines automatically. That's why you need to at least have a modem and a telephone jack to be on-line, or even better, cable Internet access, which is much faster. If your computer is connected through a modem and a telephone jack to the Internet, you can reach any other computer connected to the Internet—sometimes several at one time, like the old party lines of an earlier telephone era. You can view, retrieve, and, if you have a printer, print any information

**Bright Idea**

If you need to get Internet information on a particular home, requesting it via e-mail produces a far more rapid response than waiting for an agent to send something to you via the U.S. mail or returning a personal call. It's always best to check with your real estate agent, however; some people prefer communicating via e-mail, and some still prefer using the phone and check their e-mail infrequently.

made available for public viewing on any computer or Web site that someone has made available to the Internet. Even without a printer, you can retrieve the information and save it to a word-processing document.

If you have an Internet connection, you have access to virtually every publicly accessible computer on the Net. You can create your own Web site to convey information about yourself or about some service you provide to the immense cyberspace of the Internet. Indeed, locating a particular kind or piece of information on the Internet is not much more difficult than dialing a phone number correctly. Your initial entry onto the Internet accesses a relatively small number of broad topics. When you click your mouse to open one of them (a hyperlink), you get a narrower subset of topics within the broader one, and so on, until you discover the particular topic you were looking for followed by a link, such as “homes in Memphis . . . Memphishomes.com.”

Okay . . . I'm in Memphis. Now what?

After you arrive at a real estate agency's or real estate salesperson's Web site, what can you expect to see and how can you communicate with the person whose listing or listings appeal to you the most?

When you sign up with an ISP, you make up an *e-mail address* and are given a telephone access number for getting on-line and using e-mail. Although most real estate agents' Web sites provide voice-mail numbers, office numbers, or home phone

numbers, these numbers tend to work best for the casual buyer who has plenty of time to shop around, wants to compare Web sites, or wants to compare a number of different agents to evaluate the services that each provides.

However, if you're eager to know all the particulars about one or two houses that you see on a Web site, e-mail is the best way to get instant feedback. Most truly assiduous agent Web users have their own e-mail addresses and have their computer turned on at all times, anxious to see how many *hits* or visits they're getting to their Web site; such agents will e-mail you (usually with alacrity) with any information you request. Remember that although these agents are marketing their listings for sellers, they are equally attuned to ways to solicit your business as a buyer. Their credentials will probably appear on their Web site, but what will win you over to them as a customer is their rapid response to your requests for information.

You should also know what e-mail enables your prospective real estate agent to do for you. Through e-mail, your agent can keep you informed of new listings without concern for time of day or whether she is at work or at home. She can even e-mail photos of properties along with extensive descriptions. Also, an agent with a sophisticated Web site can establish hundreds, even thousands, of *links*, which feed information on a daily basis directly to her Web site. For example, many agents now belong to the Internet Real Estate Directory (IREDD). Besides other services that we'll examine later, IREDD News feeds agents and consumers interest rate quotes from hundreds of lenders on a daily basis. As interest rates change or as new loan products appear on the scene (both tend to be an almost daily occurrence), this information is downloaded into your would-be agent's Web site and is instantly retrievable by you via e-mail.

Although it's extremely handy to have a hard-working, high-tech real estate agent shopping the market for you on a daily basis, you might not want to rely exclusively on her services to

meet all your home-buying needs. In this age of heavy, high-speed traffic on the Information Superhighway, your would-be agent is trying desperately to keep up with the flow by adding more and more links to her Web site so that you don't go to another source for information. One of the reasons she has had to enter the arena of fierce competition for listings is that homeowners themselves have become more adept either at using computers to market their own property or at finding an Internet marketing company who will market it for them at a cost significantly lower than the average agent's commission.

Although it's clear that the good real estate agent is by far the best resource for accessing the highest quality of information about the housing market in a particular area, it's also clear that many For Sale By Owners have learned to use the Internet to go directly to you, the homebuyer. *For Sale by Owner* magazine, for example, is actually a Web location where owners can post their own ads, buyers can view listings, and agents themselves can work to transform that FSBO market into a For Sale by Agent market.

Have I found the right agent on the Internet? Here's what to look for

The most important aspect of an agent's, agency's, or community's Web site is clarity. You should see an e-mail address prominently displayed, so that if you need help in navigating through an entire Web site, you can e-mail an agent, company, or city directory to get instructions or clarifications. Directly above or below the e-mail address should be an agent's picture, a company logo, or a municipality's name. The most ambitious and successful agents will have their own Web sites; however, so if you came first to a company or municipality Web site, type in more specific instructions and, unless you're planning on moving to a very small town with just a few agents, you'll eventually come to the following:

- A series of photographs of particular agents
- A catalog of their listings
- Color pictures of their listings
- One catch phrase or a series of catch phrases meant to capture your attention and encapsulate what best embodies the agent's intentions ("we respect the value of your time"; "market knowledge and real estate expertise"; "warm, personal service"; "thoroughness and attention to detail"; and "I succeed where other agents have failed" seem to be the most popular).

Table 5.1. Top Listing Services on the Internet

Listing Service	Web Address	Description
Internet MLS	www.trinet.com.homeconn.information.html	Home Connections, lists homes for sale.
On-line Real Estate Auctions	www.valleynet.com/~webcity/	The Real Estate Junction, real estate listings by category.
On-line East Coast	www.infi.net/REWeb	Real Estate Web, East Coast listings.
Electronic Realty Services	www.tyrell.net/~ers	Electronic Realty Services. Listings of apartments, houses, agents, commercial properties across the country. Offers both free and paid listings.
RE/Max Realty	www.remaxhq.com/atlanta	RE/Max North Atlanta's on-line service. Includes local listings and consumer information on buying and selling property in Georgia. Provides direct e-mail to agents, mortgage lenders, home warranty providers, insurance agents, home inspectors, and attorneys.

Listing Service	Web Address	Description
FractalNet	www.fractals.com/realestate.html	FractalNet Real Estate Server, "the most complete ordered listing of residential real estate on the Internet." Fractal gives up-to-date information, on-line real estate listings, and so on. Submit listing link request via e-mail.
Buyer's Agent	www.sover.net/~relo Network	American Relocation Center, offers an array of tools.
National Listings	www.us-digital.com/homeweb	Includes nationwide listings, profiles of real estate companies and agents, financing and mortgage information, and consumer tips. Operated by U.S. Digital Corp., a publisher for the relocation and real estate industries.
For Sale by Owner	www.human.com/mkt/fsbo/	For Sale by Owner magazine. A place where owners can post their own ads, buyers can view listings, and agents can work the FSBO market.
Worldwide Listings	www.wren.com	WRENet, World Real Estate Network, interactive and searchable real estate database, all kinds of property.



Bright Idea

By using a list of listing services, such as the one we provide in Table 5.1, you will save the bother of having to use a search engine to find these sites.

After you're snagged by a catch phrase and are deeply lodged in a particular Web site, here are the most important additional elements you'll probably find:

- **Areas of specialization.** An agent's personal Web site will indicate the price range of houses she specializes in selling and the particular area of a community where she sells the most. If an agent advertises herself as your "all-purpose agent," watch out! In fact, watch out for any claim you see on a Web page; it's all advertising, and there's no guarantee that you will receive the service promised. The real estate sales industry has become increasingly specialized, and most agents have developed a greater and greater degree of knowledge of a smaller and smaller area of the business.
- **Credentials.** Give the agent whose Web site you've selected room to brag. Their record in sales and their advanced degrees in real estate do make a difference in the person you ultimately select to represent you. Chances are that if you're using the Internet to select a home or an agent in the first place, you're moving from one community to another, and you'll want to have confidence in your agent's knowledge of the marketplace and her skills in conveying that knowledge.
- **Links.** A really thorough Web site will give you avenues for additional information that will ultimately become a crucial part of your home search. These avenues are the *links* we discussed earlier: additional Web pages that carry current interest rates, the names of lenders with unique loan packages, the means to access credit bureaus, lists of customs and conventions for closing homes in various communities, lists of the best places to shop for home designs, home repair equipment and supplies, home furnishings, and so on.

Okay, I want to know more

After you've found a Web site that presents an agent whose credentials and attitudes you like and whose links seem so comprehensive that you feel no need to shop elsewhere, it's your turn to activate a relationship. For many of you, writing to an e-mail address simply won't work. No matter how hard you try, typing in requests for information or making personal introductions on a computer screen will always seem impersonal or awkward. This has nothing to do with your writing skills or your overall ability as a Web surfer. Rather, it's the result of the fact that typing, itself, can sometimes seem like an incomplete or overly formal means of communicating.

If you feel this way, take heart. Any good agent will have provided an office or home phone number and probably a voice mail number along with her e-mail address. If you catch your agent at home or at her office immediately, great! The first question she will ask you is whether you found out about her services on the Internet. If your answer is yes, your agent will (privately, of course) be ecstatic. Statistics indicate that sales prospects who find agents on the Internet have a better than 50-percent chance of using those agents to buy property—about double the percentage of those who locate agents by other means. If you wind up getting an agent's voice mail, leave a time you want the agent to call you back. The agent who calls back when you specify is someone you can most likely depend on to be prompt and efficient in other ways, as well.

Cranking out the e-mail

If you choose to communicate with your prospective agent via her e-mail address, introduce yourself in a simple and direct



Moneysaver

For most people e-mail is a far cheaper way of communicating long distance than the conventional telephone.

**Watch Out!**

Never share anything over the Internet that you would object to becoming public knowledge.

way. Indicate to the agent the type of home you're looking for and the price range. Then ask the same questions you would ask someone with whom you would be talking face-to-face, only be as succinct as possible. Don't feel bad if you missed a question and only think of it later; you can e-mail anyone as often as you wish; unlimited e-mail usage is part of most fixed monthly payment plans with Internet providers, so you won't be charged extra no matter how often you write.

Communication with your prospective agent via e-mail will certainly be awkward the first few times you try it if this is also your first time using e-mail to make requests. For some of you, no matter how hard you try to overcome the awkwardness you feel, you won't be able to use e-mail as comfortably as if it were the phone; for others, using e-mail will become as easy as entering a casual conversation.

In fact, some of you may feel so conversational and at ease using e-mail that you'll invite an agent to join you in an Internet Relay Chat, which is a multiuser, multichannel chatting network (more generally called a *chat* or *chat room*). Chat rooms allow people all over the world to talk to one another in real time. You can arrange with your agent to enter a particular chat room at a particular time and, with other buyers and perhaps other agents in the room with you, casually review your concerns as a buyer of real estate, and have them addressed immediately.

How far should I go?

How far along can you go toward buying a house if you shop on the Internet? The answer is "all the way!" But, we doubt that this is the right answer for you. Although some agents use pretty sophisticated computer graphics to image their listings in three

dimensions and even indicate the square footage and ceiling heights for each room, the reality they create isn't quite as *virtual* as you might be led to believe. There is nothing quite like the feel of actually stepping into a home and imagining yourself living there. You might save the cost of a trip and a few days' time by doing all your home shopping on the Internet, but the savings would hardly make up for the disappointment you would experience in realizing you don't like the house you've just bought.

Of course we're exaggerating . . . we don't expect you to go all the way to and through a closing on the Internet unless, for example, you're buying a one- or two-week vacation in a time-share situation. In fact, we don't expect, or advise, you to do a lot of things solely on the Internet. So just how far can you go? It's a matter of how much control you want to retain in the buying process.

The don'ts

Somewhere along the line you'll discover that using the Internet can be somewhat addictive. Try to keep your enthusiasm for the technology under control. Particularly in shopping for and buying a home, remember that the Internet is a tool, not a universal solution.

- Don't arrange to buy a custom home over the Internet. Without several conversations with a home designer, surveyor, and builder, and without several visits to the building site, you'll have no way of knowing if the builder can produce what you designed. Besides, there are rip-off construction companies who advertise on the Internet that they can build from your designs and who really hope that if you use their services, you'll stay away from the construction site!
- Don't apply for a mortgage over the Internet. First of all, even if you don't have the time or are in the wrong location to see a loan officer, you'll need to use an overnight mail provider and a fax machine to send all the documents

you'll need to make a loan application. . .the Internet isn't enough. More important, your loan officer will need to supply you with several critical documents that have your Social Security number on them. Pirates cruise Web sites looking for such information, and the Internet is still far from being thief-proof. Don't send or receive sensitive documents on the Internet unless you are sure the site uses encrypted technology and is safe.

- For reasons of confidentiality, don't compose, negotiate, or execute a contract to buy property over the Internet. Among other sensitive things, contracts have legal descriptions of home purchases. These could be stolen and disreputable people could attach liens to properties based on these legal descriptions.
- Don't expect a home inspector to perform a thorough evaluation of a property you're buying in your absence and then e-mail you a full report of his findings. If you're buying a house with anything that needs fixing, your inspector's personal attention to both you and the seller is the only way to work out any snags that might compromise your purchase or impair a closing.
- Don't close a sale over the Internet. Rarely does a closing occur that last-minute issues don't have to be resolved, some of them possibly requiring the utmost confidentiality. You don't want sudden, personal things about you to go out over the Internet.

Finally, be aware of possible snafus on the Internet. In terms of what you read on the Internet, not only are there deliberately false claims, there is also information inadvertently reported incorrectly. In terms of what you post on the Internet, remember that the misdirecting of your private e-mail is as easy as a single typographical error. For the sake of your privacy, be careful when sending mail, and in turn, do not conduct business with anyone who you doubt can exercise the same care.

The do's

Insofar as home buying is concerned, use the Internet for what it was intended: as a source of information, some of which you'll need to check out with other sources to verify its accuracy. You'll be able to download more information on the home purchase process than you can ever use; so here's a list of what's most important for you to research and use.

- Information about a real estate agent in the community where you intend to buy and a comprehensive list of all properties she can show you in the price range and style of home for which you're looking.
- Everything listed in *For Sale by Owner* magazine within the parameters of your style and price range. (You may want to compare prices with those of agency listings to see whether individual owners have done a good job researching the market.)
- A comprehensive list of home inspectors in the community where you intend to buy. This list should include their qualifications and years of experience.
- Current interest rates for every kind of home loan imaginable. Also, the types of loans offered by all the mortgage companies and banks in the community where you intend to live, along with e-mail addresses and phone numbers for each of these institutions. Remember, when you're making inquiries, not to give out your Social Security number or any credit-history information.
- A list of title companies that have *title plants* (a library of information that traces all liens and encumbrances placed on every home that has ever sold) and can instantly determine whether there are any *clouds* or irregularities in the title to the home you're purchasing.
- Samples of all documents you might have to sign and/or review as part of a real estate closing.

As you can see, you'll need to monitor yourself in your Web search and discard a lot of junk when you download informa-

“The problem with house hunting on the Internet is that in no time flat you'll be awash with so much information you'll be at a loss to determine what's useful and what isn't. Also, if you give out your e-mail address, you'll get a lot of junk e-mail in return. The best way to get only what you want is to be selective in what you ask for.”

—Jerome Newman,
Real Estate Agent

tion. Shopping on the Internet really can make you an informed buyer and transform the real estate agent, the loan officer, the inspector, the title company, and the closing attorney into a team. Just remember that you are the captain: know your players well, and surf the Web with enough intelligence and discrimination so that everything merges into a satisfying home search and a pleasant closing. It all begins with

you gaining control of your little domain on the Internet and not letting a tidal wave of information sweep you under.

Just the facts

- Find out what you need to get on the Internet and what provider will best serve your needs.
- Learn how to use e-mail to your best advantage and be discriminating about when to and not to use it.
- Understand exactly how far you can go in your home search when shopping on the Internet.
- Learn how to discriminate between downloading useful and useless information onto your computer.