SELLSTATE

Prepackaged Sales Meeting
Transnational (Cross-Border) Referrals

Prepackaged Sales Meeting
Module: Transnational Referral Toolkit

Dear Broker/Firm Trainer:

NAR research indicates that 1 in 5 REALTORS® has been involved in an international real estate transaction. If this surprises you, you might ask yourself if business opportunities are being lost because your agents do not understand the elements of an international real estate transaction. The bulk of "international" business takes place in local markets and sales agents need a base level of knowledge to help them attract (and keep) this business, which often comes about from a former client whose needs have expanded beyond the domestic level.

NAR has created a series of modules to help you provide an introduction to global market transaction elements. These modules are designed to be incorporated into your regular sales meetings; many of which can be expanded, based on the firm's needs. They include resources for additional information for agents seeking a more in-depth understanding of the topic.

Keep in mind that these modules *will not* make your agents "international experts." (NAR offers advanced training and certification for REALTORS® who work in markets where they will benefit from this.) Rather this information is designed to provide agents with enough basic information on a range of topics so that when the potential client walks through the door who:

- *is looking to buy a vacation home in Mexico,*
- *has recently immigrated to the U.S. and is unfamiliar with U.S. industry practices,*
- *has recently inherited a property in Europe,*
- *wants to invest in an London flat to house a child studying abroad for a year or, a U.S. flat for a student coming to the U.S.,*
- *is a U.S. military spouse from Iraq, Germany, Korea, or any number of countries where U.S. military personnel is based and may marry local citizens,*
- *received in inquiry from oversees about a new development, or*
- *a dozen other possible scenarios…*

…Your agents will be able to assure this potential client or customer that they can help with this transaction!

The Transnational Referral System facilitates cross-border referrals by helping real estate professionals overcome two common challenges: finding a real estate professional whose conduct is competent and ethical; and assuring that compensation will be paid. This module on Transnational Referrals will provide example language options for an agent's first encounter with a foreign broker or agent when the end goal is to make a referral beneficial to everyone, especially the referring agent's client/customer. You will also be provided with sample of a referral contract and additional information to help initiate referrals abroad.

We hope you'll find this module useful in your sales agent training program, and we welcome your feedback. Questions or comments can be sent to NARglobe@realtors.org. For information on other international training resources from NAR, visit our web site at www.REALTOR.org/international, or contact Heidi Henning, Manager, International Education and Membership at hhenning@realtors.org (800.874.6500; x8376).

Broker/Trainer Instructions

1. Time required: 20-30 minutes

2. Review the concept description of the Transnational Protocol Agreement Between ICREA-affiliated Member Associations. A link to the full Protocol is provided if you wish to provide copies agents. *[Optional]* Individual broker/agents who voluntarily choose to use the ICREA Referral Service should review the Protocol before engaging a foreign broker in a referral. A fact sheet on ICREA is included to help agents understand what ICREA is, and NAR's role in the organization (copies to agents).

3. Preparing for the Initial Contact (copies of this page to all agents).
   a. Introduce websites used to find international time zones.
   b. Introduce procedure for locating a real estate professional in another country using the www.worldproperties.com website.

   (This portion of the training can be done online if meeting set-up accommodates the group's ability to follow along online.)

4. Introduce the "First Contact E-mail" demonstration. Ask for or select a volunteer before the session begins so he/she can read over the material before it is time to perform.

5. The volunteer will read the e-mail (copies to attendees).

6. After the e-mail has been read ask for input from the attendees.

7. Recommend they develop content of their own which addresses the necessary points so they will be ready to make a referral when the time comes.

Transnational Protocol Agreement
Concept Description

The centerpiece of ICREA's Transnational Referral System is an agreement between member organizations called the Transnational Referral Protocol. The Protocol sets forth procedures for referrals, including a standardized referral contract form, and a process for the orderly handling of compensation disputes.

The agreement defines the relationships between ICREA member associations and the obligations member associations which sign the Protocol commit to in order to provide the transnational referral service to their individual broker/agent members who voluntarily choose to make and receive cross-border referrals using the ICREA Transnational Referral system. The full text of the Protocol may be read online or downloaded from the ICREA Website at http://www.worldproperties.com/ReferralNetwork.aspx

NAR signed the Protocol in May 2002 and supports its use by REALTORS® seeking to make or receive referrals outside the United States.

Preparing for the Initial Contact

1. While determining the correct time zone of the company you are e-mailing is not critical, it becomes more important if you choose to call instead. You can find out this information by checking either one of the following websites:

   - http://www.worldtimeserver.com
   - http://www.timezoneconverter.com

   These sites will give you the correct time where you are calling and then you calculate the difference between your time and theirs. Be sure to avoid lunch time contacts (which sometimes go from 2-3 hours). While e-mailing is not as critical time-wise, it still looks good for you to be aware of the difference by making reference to it whether written or spoken.

2. Finding a referral company (two options):

   a. Option #1: Go to http://www.worldproperties.com.

   - Click on "Find a Transnational Referral Certified Professional" under the ICREA Resources box on the home page.
   - Search based on appropriate criteria for client (location, language, etc.).
   - You should have a list of brokers/agents that have completed the Transnational Referral Certification training program and are "TRC" (Transnational Referral Certified)*. These agents will be most familiar with the referral process. This is the recommended first course of action for locating a foreign broker to whom to make a referral.

   **The TRC certification was launched in Jan. '05 and will be translated into four other languages by Sept. '05. Some countries may not actively market the certification until the translations are complete.*

   If you are unable to locate an agent in the specific area you need, you may search more broadly to locate an agent who is affiliated with the ICREA Member Association** in a country, but who has not had specific training in referrals. This secondary search will provide you with contact information for *all* professionals who are members of the association. The agent may or may not be familiar with the referral process and the ICREA Transnational

Referral System, so some education may be required on your part in your communications.

b. Option #2: Go to http://www.worldproperties.com.

- Click on "Find a Professional."
- Click on the country where you want to make the referral.
- Click on the town within the country. You should have a list of agents before you with the name of their company, a telephone number and most times an e-mail address. The agents shown will all belong to an association affiliated with ICREA, nearly all of which have signed the ICREA Protocol, agreeing to an enforceable arbitration process to address any disputes regarding payment of referral fees.

3. Decide which agent you want to contact first. Make a list of questions you want to ask. Be sure you consider the client's needs and personality as well as significant property information. Since so much of our initial work is completed via e-mail, we will assume our first contact is being made in that manner.

***Signing the Transnational Referral Protocol is voluntary by ICREA Member Association, as is its use by individual brokers/agents. Nearly all Member Associations have signed the Protocol (NAR included). A list of association signatories can be found at the private side of WorldProperties.com under the Referral Network tab. As of May 2005 only two groups (Argentina and Venezuela) had not signed the Protocol. You must be registered at WorldProperties.com to access this information. Registration can be done from the home page. NAR members must use their NAR NRDS ID to register.*

Sample First Contact E-mail

Buon giorno Mr. Pastorini. My name is Suzanne Powers and I am a real estate agent with Conway Properties International in Jackson Hole, Wyoming, USA. I found the name of your company on worldproperties.com, indicating your firm is affiliated with ICREA through your membership with FIAIP. My company also is affiliated through our membership with NAR. I am looking for an agent to whom I can refer a very special client. They would like to retire in the Vicenza area.

It may seem strange they would pick Vicenza however; they lived there for three years in the early 90s. I was fortunate to visit them during that time and still hold the fondest of memories about your lovely town and beautiful countryside. I still think your shopkeepers make the best cappuccinos in all of Italy!

Regarding the referral, my company requires the mutual signing of the ICREA Transnational Referral Contract. As you are aware, this contract requires the statement of referral fees for leasing or sale of property to my referred client. Your reply by e-mail is quite satisfactory however, if you would rather discuss these matters over the telephone, I will be available whenever it is most convenient for you regardless of the time difference. Just let me know via email what time best suits your schedule.

Meanwhile, I would appreciate any information you can share with me regarding the local market conditions. As you know, the dollar is weak right now. If it is a seller's market in Vicenza, where supply is low and prices are high, my client might have to wait until the financial picture looks better. If however, there are properties available to meet their space and financial needs, they are eager to begin the process.

They will be looking for a single family home, preferably on the edge of town with a little land, about 5 acres or so. They love the vintage homes in the area and are not averse to putting some work into restoration.

I look forward to hearing from you regarding further discussion of this potential referral.

Grazie,
Suzanne Powers
1-407-555-5555

ICREA Transnational Referral Contract

*****This is a Binding Legal Agreement*****

Date of Contract: _____

Referring Broker/Agent:

Name of Broker/Agent: _____

Company Name: _____

Principal's Name, if not same as above: _____

Full Address of Principal: _____

E-mail Address: _____

Fax (include country code): _____

Phone (include country code): _____

Receiving Broker/Agent:

Name of Broker/Agent: _____

Company Name: _____

Principal's Name, if not same as above: _____

Full Address of Principal: _____

E-mail Address: _____

Fax (include country code): _____

Phone (include country code): _____

Client Referred:

Name: _____

Full Address: _____

E-mail: Address: _____

Fax (include country code): _____

Phone (include country code): _____

Client Particulars:

Property Needs: _____

Referring Broker/Agent Prior Experience: _____

Relevant Dates: _____

Other Material Information: _____

Referral Fee Particulars:

In the event Receiving Broker/Agent receives a commission or other payment for services rendered in connection with a real estate transaction consummated involving the Referred Client within _____ of the date this Referral Contract is entered into (both parties have signed), Referring Broker/Agent will become entitled to a referral fee*, and Receiving Broker/Agent agrees to pay said referral fee, in the amount of:

☐ _____ cash (in _____ currency), or

☐ _____ percent of the ☐ listing, ☐ selling, or ☐ leasing (check all that apply)

commission that Receiving Broker/Agent receives in connection with the foregoing.

☐ Other (describe): _____

_____

_____

**Note: Referral fees may be subject to withholding tax or other forms of taxes in the country in which the transaction takes place.*

Representations:

By signing, or authenticating, this contract, both the Referring Broker/Agent and the Receiving Broker/Agent warrant and represent as follows; the terms below have the meanings assigned to them in the Agreement Creating the International Consortium of Real Estate Associations dated May 13, 2001:

Referring Broker/Agent is a Constituent of (association name): _____

Receiving Broker/Agent is a Constituent of (association name): _____

The parties have read and understand the Protocol for Transnational Referrals and Dispute Resolution and agree to be bound by its terms, including the provision obligating parties to a transnational referral contract to alternate dispute resolution. Refusal to pay an arbitration award will result in the names of constituent(s) failing to pay and their firm's name(s) being published and made available to ICREA member organizations and their constituents.

Signatures or Authentications:

Referring Broker/Agent	**Date**
Receiving Broker/Agent	**Date**

What is ICREA?

ICREA is an alliance 23 national real estate associations in the world representing more than 2 million real estate professionals worldwide, and $25 trillion of GDP. It is the only organization of its kind. The organization has dedicated itself to the international promotion of its members' businesses and has had great success in building a partnership that is improving in the way we transact business across national borders. ICREA members include national real estate associations in Argentina, Australia, Brazil, Canada, Czech Republic, Denmark, Finland, France, Greece, Ireland, India, Italy, Mexico, Netherlands, New Zealand, Norway, Poland, Russia, Spain, Sweden, United Kingdom, United States and Venezuela.

Value to National Associations:

- Supports national real estate initiatives, including strengthening of the national brand
- Provides information and guidance on responding to global market issues
- Positively differentiates national association members from non-association members

Value to Brokers:

- Tools for participating in cross-border transactions
- Highlights specialty properties
- Links to global real estate information
- Industry news
- Access to international properties and professionals from around the world

Value to Consumers:

- One-stop shopping for specialty and distinctive properties
- Search feature for "Find a Professional"
- Confidence in dealing with a member of a professional association who abides by a code of ethics
- Information to help understand foreign markets and industry practices

ICREA's Purpose and Objectives

Investment in foreign real estate accounts for a significant and growing portion of the global economy. Despite this, a very small percentage of real estate professionals have participated in a transnational real estate transaction. ICREA was formed to help brokers cross those international borders along with the buyers and sellers, and also to stay in the middle of international real estate transactions to better serve their clients. ICREA helps brokers do business easily and profitably in a growing international marketplace.

ICREA Web Site

The ICREA Web Site, www.worldproperties.com, is the primary source of information and resources for its members and consumers, and currently links to 3 million properties listings from around the world—the largest international property site in the world. ICREA's newest service is a distinctive property advertisement feature available at www.worldproperties.com, which allows ICREA-member country

brokers to more prominently market high-end and distinctive properties, targeting an international audience.

Web site visitors can find general information about the real estate industry in the participating countries and easy and direct access to more detailed information at the national association sites. Specific site features include:

- Links to "find a property" and "find a professional" via ICREA member country Web sites
- A distinctive property ads feature for marketing unique/specialty properties; translated into English, Spanish, French and Italian
- Transnational referral business tools, including training resources for brokers and agents
- Searchable member constituent information, including language and business specialties
- Links to weekly industry news articles and news abstracts
- ICREA organizational documents and governing protocols
- Calendar of national industry events and educational offerings
- Detailed business practice information, including information on foreign ownership rules and broker remuneration
- National codes of ethics

Two Key Sites Services Include:

- Distinctive Properties Advertising Service- www.worldproperties.com offers all ICREA constituent members the ability to promote their specialty properties to a more targeted audience. This feature augments the current "Find a Property" feature which links to 3 million properties worldwide through links to the national association sites. Properties best suited for this service include homes, condos, rentals, such as beach or ski houses, luxury residential and more. This service is an important marketing tool with clients, allowing ICREA brokers to differentiate themselves in the local market. The collective Web traffic of the ICREA national association members represents a total of 8 million potential buyers and sellers being directed to the site. The Distinctive Properties Advertising service is currently available to ICREA-affiliated brokers at no cost as a benefit of their national association membership and its affiliation with ICREA.

- Transnational Referral System -To promote cooperation in and coordination of cross-border real estate transactions, most ICREA member associations have signed an international protocol for referring clients to participating members worldwide. The referral agreement, including a dispute resolution forum, may be accessed electronically on www.worldproperties.com, by any member of an ICREA-member association. ICREA-affiliated brokers/agents can now become Transnational Referral Certified (TRC), through an online, self-guided training course. TRC brokers/agents are listed is a directory, allowing all ICREA-affiliated professionals to identify a broker/agent who is skilled in the practice of transnational referrals.

Together, these two ICREA services form the foundation for increased business and revenue for ICREA member association professionals.

Resources

1. ICREA Web site: http://www.worldproperties.com

2. Transnational Referral Certification Program – NAR members can learn more and access online program from: http://www.realtor.org/cipshome.nsf/pages/trc

3. ICREA page at REALTOR.org – Provides information on ICREA services for NAR members and registration guidelines: http://www.realtor.org/cipshome.nsf/pages/icrea

4. http://www.worldtimeserver.com

5. http://www.timezoneconverter.com