Working in the Pre-Construction Space: A Guide for Real Estate Agents

1. Building Relationships with Developers

Establishing strong relationships with developers is foundational to working in the pre-construction space. Developers often choose which agents to work with based on trust, experience, and demonstrated ability to bring qualified buyers.

- Research developers active in your market and familiarize yourself with their past and current projects.
- Attend industry networking events, broker previews, and sales office launches to meet the developer’s team.
- Maintain a professional online presence and connect with developers on LinkedIn and other platforms where they’re active.
- Demonstrate how your client database, marketing strategies, and experience can add value to their launch.

2. Understanding the Launch Process

Not all developers launch projects in the same way. While some follow a structured release (Platinum → VIP → Public), others may use internal categories like “Friends & Family,” “Top

Brokers," or "Inner Circle" to control unit access.

- Platinum and VIP launches are typically reserved for agents with a proven track record or strong developer relationships.
- Some developers begin with an informal "Friends & Family" release with little marketing—agents only hear about it through direct contacts.
- Staying in constant communication with your developer reps ensures you're aware of these earlier access points.

3. How Worksheets Work

Submitting a worksheet is usually the first formal step in reserving a pre-construction unit.

- A worksheet includes client details, preferred unit selections, and budget range.
- Worksheets are submitted to the developer's sales team, and units are typically allocated based on timing, agent relationships, and client qualifications.
- Submitting a worksheet is not a guarantee—it's an expression of interest and must be followed up persistently.
- Agents should prepare clients ahead of time with deposit cheques, ID, and mortgage pre-approval if possible.

4. Commissions and Clawbacks

Pre-construction commission structures vary from project to project.

- Commissions can range from 2% to 5%, often paid in stages (e.g., 50% on firm deal, 50% on occupancy).
- Some developers offer bonuses or limited-time increased commissions to incentivize sales during certain phases.

- Clawback clauses may apply—if a deal falls through or the client backs out, the commission may be reduced or forfeited.
- Always review the agent agreement or worksheet terms for clawback language and commission timing.

5. Payment Schedules and Deposits

Understanding and communicating the deposit structure is critical.

- Typical schedules involve 5% on signing, followed by additional installments over 90–365 days.
- Some projects offer extended deposit structures to attract more buyers, such as 5% per year over three years.
- Agents must explain these timelines clearly and ensure clients are financially prepared to meet all obligations.

6. Client Care Through the Pre-Construction Process

A pre-construction sale doesn’t end at the firm deal—it can span years, and client care must continue throughout.

- Maintain regular communication with your buyer, especially at key milestones: signing, cooling-off, deposit due dates, and construction updates.
- Help them understand builder updates, mortgage re-qualification before closing, and what to expect during PDI (Pre-Delivery Inspection).
- Be their advocate if issues arise with unit changes, delays, or builder communication.

Agents who remain engaged with their clients from worksheet to occupancy build long-term trust and strong referral pipelines.

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