

# 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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