

NETWORK WITH LOCAL CONTRACTORS TO  
**GROW YOUR BUSINESS**

A REAL ESTATE EBOOK FROM  **The CE Shop**





## INTRODUCTION

Community relationships are an essential part of a real estate agent's success. Building rapport with local businesses has been a popular tactic agents have applied to market their services and find new leads organically for years. However, not many have considered the opportunities afforded through networking and partnering with local contractors specifically.

As the old adage goes, teamwork makes the dream work, and in this case, it's worth building out your team to include people in related verticals. Fostering these professional relationships will ultimately bolster your reputation as a community leader while helping your clients get their home renovation and design needs met.



**Forming partnerships with local home professionals can unlock a stream of leads while establishing your community know-how and giving you a competitive edge in your market.**





## HOW MUCH ARE AMERICANS RENOVATING & HOW MUCH DO THEY SPEND?

Before we dive into the types of professionals that can boost your lead generation and how to find them, let's break down the facts and figures behind America's renovation projects.

The average homeowner will spend anywhere between \$18,500 to \$75,000\* on remodels, which is a significant chunk of cash to invest - though given that many people's most valuable asset is their home, it makes sense that they are willing to spend the money to ensure that the renovation will be done correctly.

**\*INDUSTRY SOURCE**

**HomeAdvisor.com**

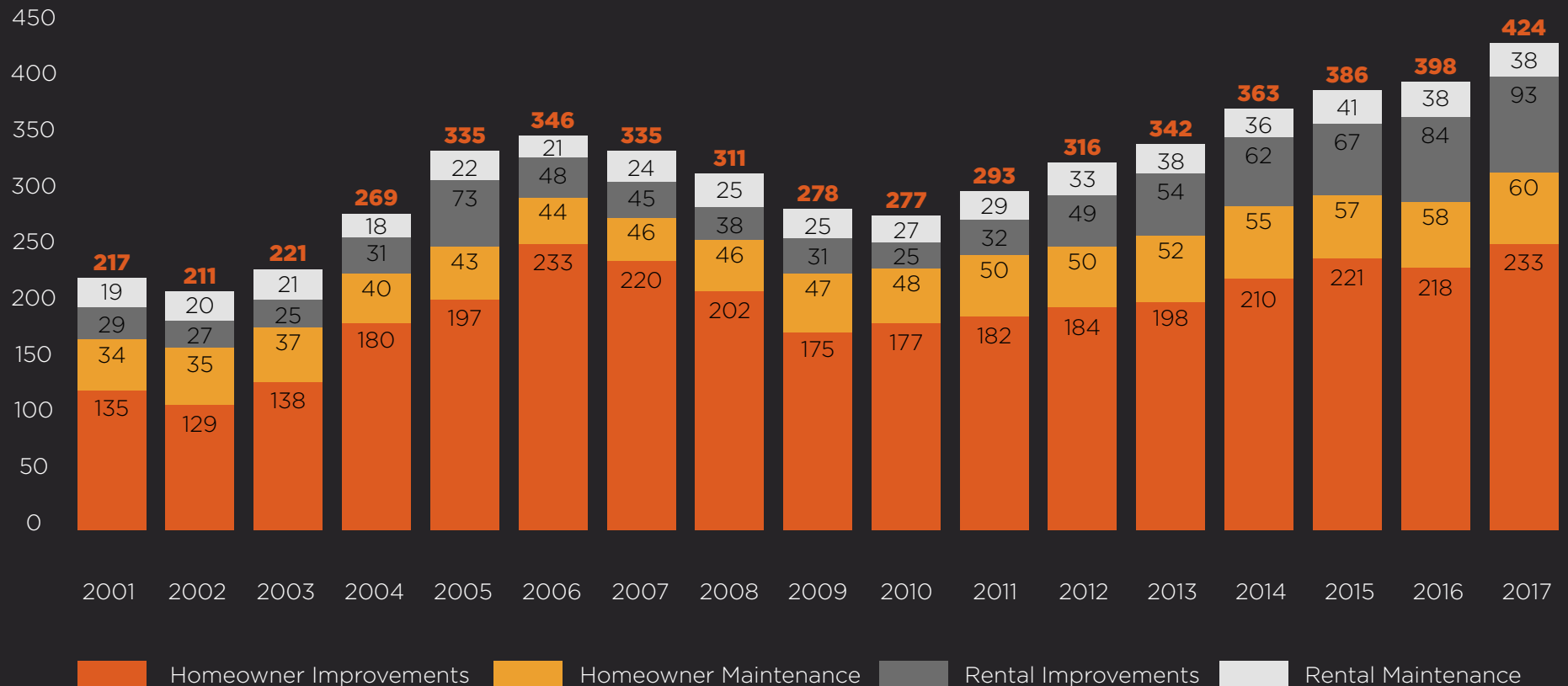
How Much Does It Cost To Remodel Or Renovate A House?

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THECESHOP.COM

# THE HOME REMODELING MARKET HAS GROWN MORE THAN 50% SINCE THE RECESSION ENDED

(IN BILLIONS)



**\*INDUSTRY SOURCE Harvard University** How Much Does It Cost to Remodel or Renovate a House?

JCHS analysis of U.S. Department of Housing and Urban Development (HUD), American Housing Surveys and Rental Housing Finance Surveys; U.S. Department of Commerce, Retail Sales of Building Materials; U.S. Census Bureau, Surveys of Residential Alterations and Repairs (C-50); and National Apartment Association (NAA), Surveys of Operating Income & Expenses.

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# HOW TO TALK TO CLIENTS ABOUT HOME RENOVATIONS

Talking to your clients about renovations will always present new challenges and opportunities. The needs and wants of a seller vs. a buyer will be different, but their end goal is the same: Maximizing their budget to get the results that they want without breaking the bank.

Sellers typically look at renovations as a way to increase their home's resale value while avoiding future hiccups with home inspections and appraisals. On the other hand, buyers, especially first-time homebuyers, might need help seeing beyond dated wallpaper or kitchen cabinet colors and understanding that small projects shouldn't deter their interest in a property.

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**Buyers typically don't want to do a lot of work;** they want turnkey, move-in ready. But sellers sometimes haven't redone the home in a decade or more. Maybe it has outdated brown carpeting, or wallpaper on the walls.

**Laura Ellis** | President of Residential Sales at Baird & Warner





## HOW CAN CONTRACTORS HELP YOUR CLIENTS?

Home renovation spending is on the rise,\* with the U.S. market alone shelling out more than \$400 billion annually on home repairs and upgrades. Home professionals and general contractors can perform a multitude of tasks to ensure renovation projects get done right the first time, lifting the burden off of your clients. By hiring a professional, your client has someone who can:

- Create **accurate budgets** and project scopes
- Know which **permits are required** and pull them accordingly
- Set **project deadlines**
- Schedule the **crew's working hours**
- Order the **correct supplies**
- **Hire subcontractors** as necessary
- Oversee project operations with a **focus on quality control**

**\*INDUSTRY SOURCE**

**HomeAdvisor.com** 2020 State of Home Spending: The Year of the Home

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# TOP HOME PROJECTS OF 2020 (IN DOLLARS)

Many Americans have found that the **functionality of their homes** has changed since the onset of the pandemic, leading homeowners to re-evaluate how their space serves their needs. The result? A boom in home renovation activity. Here are the top home improvement projects of 2020 and their associated costs:

%

= Percentage of households completed.



**\*INDUSTRY SOURCE**

**HomeAdvisor.com**

Why Pricing Matters: Introduction  
& Executive Summary

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INTERIOR PAINTING: **\$2,007** **35%**

BATHROOM REMODEL: **\$13,401** **31%**

NEW FLOORING: **\$4,680** **26%**

LANDSCAPING: **\$2,389** **24%**

KITCHEN REMODEL: **\$35,317** **23%**

EXTERIOR PAINTING: **\$3,291** **19%**

NEW SMART HOME DEVICE: **\$205** **19%**

NEW ROOFING: **\$9,375** **16%**

NEW FENCING: **\$2,991** **16%**

DECK OR PORCH INSTALLATION **\$3,291** **14%**



# BUILD YOUR ROSTER

Now that you have a lay of the home renovation landscape and the value homeowners place on being able to tailor their property to meet their needs, who should you have on call, ready to take a referral for your buyer or seller's dream project?

To start, look for reputable contractors in your community who you trust with your own home projects. General contractors will have the network to refer you to other professionals, like electricians or plumbers, but before sending your clients their way, you should absolutely do your own research. Look up their website, reviews, and social media to ensure that, not only will this contractor meet your client's needs, but they'll provide a level of support with which you would be proud to be associated.



Based on the top projects homeowners undertook in 2020, here's a **list of home professionals you need on your roster:**

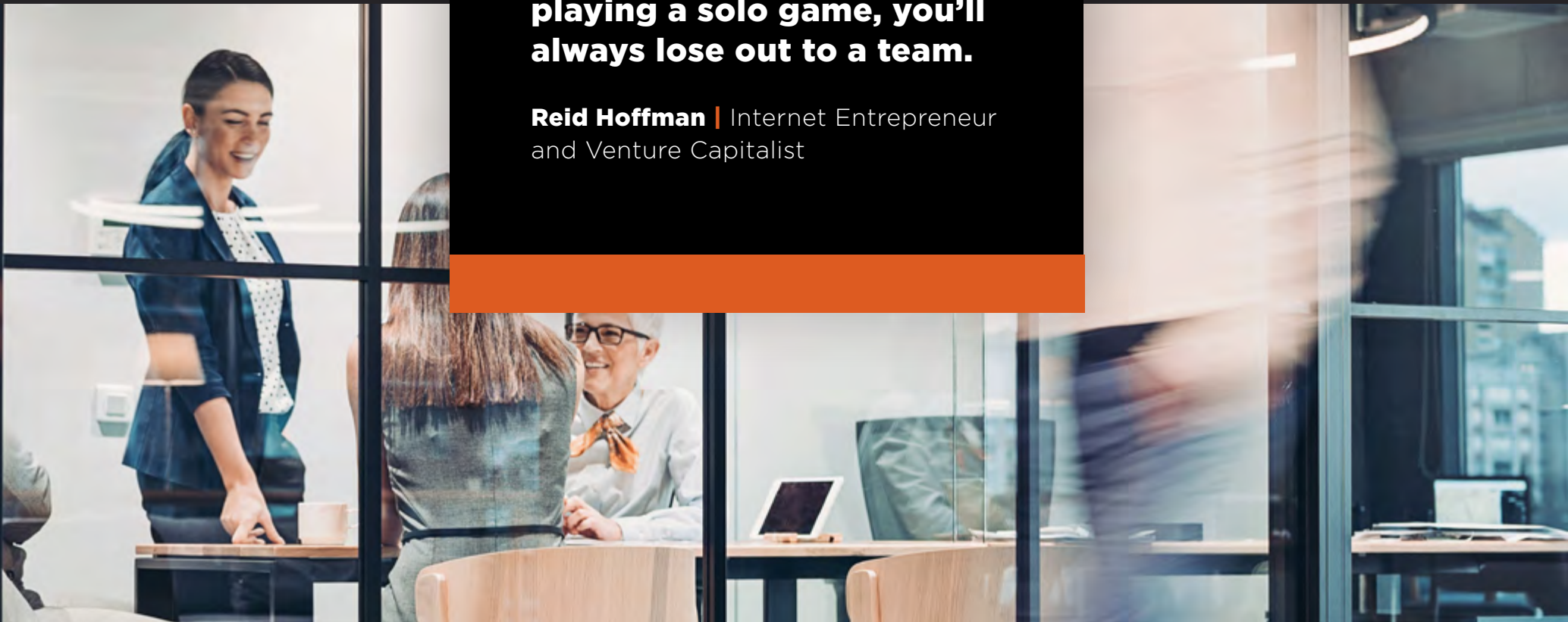
- General contractor
- Electrician
- Plumber
- Painting crew
- Landscaping crew
- Roofing contractor
- Carpenter

Use this list to start researching contractors in your market. Think of this roster as your A-Team who you can call on to help your clients and further prove that you're the top agent in your community.

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No matter how brilliant your mind or strategy, **if you're playing a solo game, you'll always lose out to a team.**

**Reid Hoffman** | Internet Entrepreneur and Venture Capitalist



# HOW TO NETWORK WITH LOCAL GENERAL CONTRACTORS

If you're curious about how to network with contractors, and more importantly where to begin, look for professional associations in your area. Quality home professionals and general contractors will likely be members of an association related to their line of work. To get you started, here is a list of the top contractor associations in the country:

- Associated Builders and Contractors [»](#)
- Associated General Contractors of America [»](#)
- National Electrical Contractors Association [»](#)
- American Society of Heating, Refrigerating and Air-Conditioning Engineers [»](#)
- Plumbing, Heating, Cooling Contractors Association of America [»](#)

Now that you know where to look, ask to meet up or even give a quick presentation at a monthly association meeting to present your business and the partnerships you're looking to create. Getting your face out in the field will go much further in fostering these relationships than simply sending an email. Remember, contractors are in a client-facing business - they work with people everyday and are often more open to face-to-face interactions than stuffy emails.



## **AGENTS AND CONTRACTORS: WHO DOES THIS RELATIONSHIP BENEFIT THE MOST?**

Agent and contractor relationships are mutually beneficial without creating competition for either party as both professionals offer completely different services. Real estate agents service listings and can easily refer their clients to a specific contractor should a property need work. Conversely, if a contractor is working on a house that someone is getting ready to list, they can refer their client to their trusted real estate agent contact.

The real estate and construction industries are closely aligned, creating the perfect cross-channel strategy for business growth - both for you and for your A-Team of contractors. And while it may seem like this partnership is strictly a business tactic, being able to refer your clients to top-notch local vendors is truly an extension of your job as an agent. This is your market and your community - you should be plugged in enough to know who can satisfy your client's needs so that they aren't burdened by trying to find that support, especially if they're new to the area.



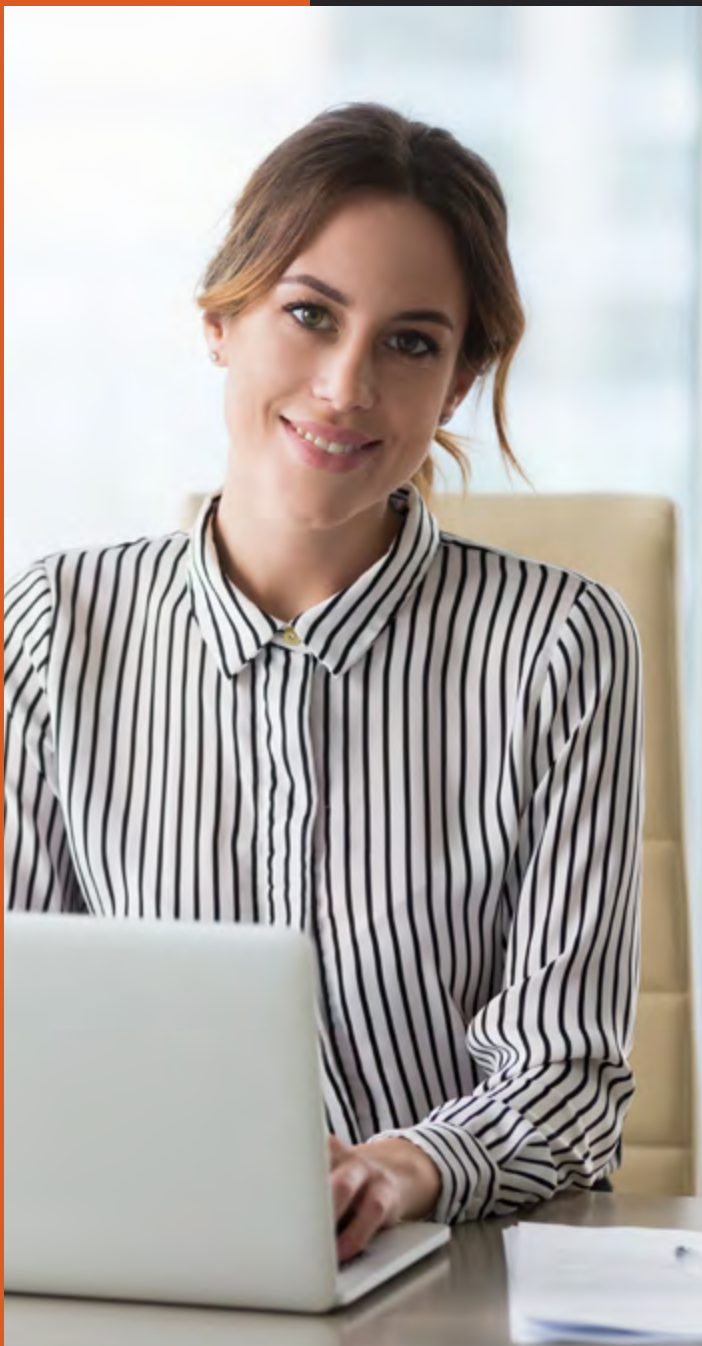


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**The strength of the team  
is each individual member.**

The strength of each  
member is the team.

**Phil Jackson** | Former NBA Coach  
With the Most NBA Championships



## **PARTNERSHIPS CAN BE YOUR COMPETITIVE ADVANTAGE**

Leveraging your partnerships with local home professionals can provide a competitive advantage when marketing your services to potential clients in your community. Every client wants to know that you are dedicated to helping them, and what better way can you help your clients than by connecting them with local contractors who they can trust?

Become the agent in your market who offers a one-stop shop for buyers and sellers. Allow them to put their full faith in you from start to finish and even beyond by helping them to foster relationships with your contractor team. Consider leaving a list of trusted contractors and their contact info in your closing gift for clients - just be sure that you are fully confident in their work and business before adding them to the official roster.



## ABOUT US

Founded in 2005, The CE Shop has become the leading provider of online real estate education. With industry-leading pass rates and support from Pre-Licensing through CE, our students are better prepared to set themselves up for success.

Our ever-expanding course catalog of Pre-Licensing, Exam Prep, Post-Licensing, and Continuing Education products are trusted throughout the industry and offer agents across the country the education they rely on.

With products available in all 50 states and D.C., we're driven by a desire to constantly improve, both for ourselves and our students.

