

Council of Residential Specialists CRS

Listing Strategies for the Residential Specialist

3 CHAPTER

~~Pricing~~

Positioning Properties

Pricing the Listing

In this Chapter ...

- Basic Appraisal Principles 2
- Introduction 2
- Reasons that Sellers Overprice 2
- Dangers of Overpricing 3
- Benefits of Competitive Pricing 4
- Competitive Market Analysis (CMA) 5
- Pricing Discussion Techniques 5

Upon completion of this chapter, students will be able to ...

- Learn how basic appraisal principles are used to estimate value.
- Understand the dangers of overpricing.
- Learn how to research and arrive at fair market value
- Discover how to counsel sellers as to the benefits or proper pricing.

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#1 Concern for buyers, sellers & agents

No shortage of buyers!

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Manage the seller's expectations

EMOTIONS!

Seller's Reality

3

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Today's truth: Slinky Market

Down Market

Above the market

At market \$250

Ahead of the market

Sells below the market

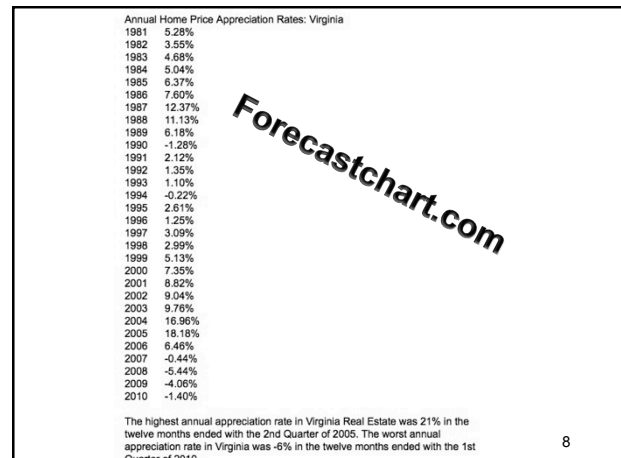
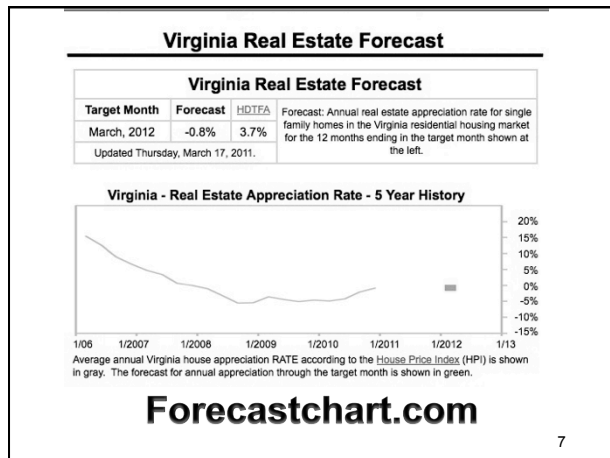
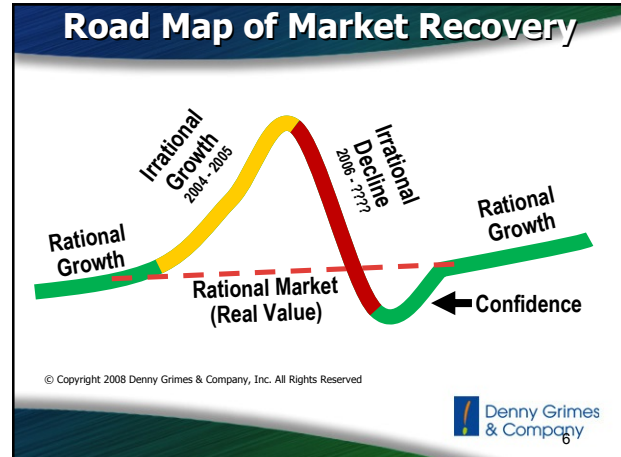
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I'll wait until the market improves



6

5



Richmond, VA
4035 properties match your search
[SHOW MAP](#)

1210 Bank Owned Properties

Pre-foreclosure Auction Bank-Owned Homes For Sale Recently Sold

Bank Owned 1210 Properties Bank Hot Properties 122 Properties Live Auction 6 Properties Sort by Entered Date (newest first)

Address/City/State/Zip	Y Entered Date	Bd	Bs	SF	Amount	HomeScore	Status
 Scottdale St Richmond, VA 23234 View Details	3/22/2011	2	1	826	NA	NA	Bank Owned
 N 22nd St Richmond, VA 23223 View Details Map It	3/22/2011	3	2	926	\$50,699	NA	Bank Owned

Realtytrac.com
www.coachjackie.com / TW: coachjackieL

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POSITIONING DIALOGUE

Price worth or value

Position To place among others

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POSITIONING DIALOGUE

Comparable Similar or equal

Competition A rival in the market

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Not all "competition" is "comparable"

"The Real Estate Whisperer"

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POSITIONING DIALOGUE

Actives	Unsold properties
FMV	Competitive Position...or Compelling Position
List Price	Initial Market Position
Reduced \$	Reposition
Expired	Market Rejected Homes

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HOMEWORK: PRE-LIST NOTE

- Write a short note to thank me for the opportunity to see my home tonight
- Use some of your new dialogue
- Remember that everything is about the "market"

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IPOD!

Dear Jackie,

Thank you for the opportunity to meet with you this afternoon to learn more about your goals. It is my job to educate you about the market and help you to establish a compelling market position that will create a favorable response from today's buyers.

Please know that my mission is to get you where you want to go, on time!

Your REALTOR for life, Jackie Leavenworth

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BE DIFFERENT & BE RELEVANT

Market knowledge


Study of buyer behavior!

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STUDY BUYER BEHAVIOR



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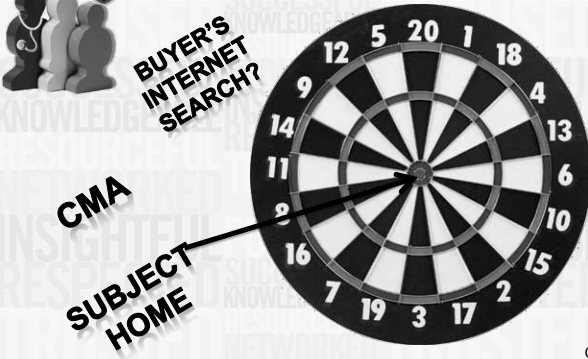
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THINK LIKE A BUYER!

BUYER'S INTERNET SEARCH?

CMA

SUBJECT HOME



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THINK LIKE A BUYER



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SHOPPING CART MLS CRITERIA

- Price range: \$150,000 - \$200,000
- Radius: Within 5 miles
- Sold within last 3 months



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<p>Long List \$150,000 - \$200,000 W/in 5 miles ___ Unsold Properties</p>	<p>113 <i>Unsold Properties</i></p>
<p>1st Showings</p>	

<p>\$150,000 - \$200,000 W/in 5 miles Past 3 months</p>	<p>58 <i>Sold Properties</i></p>
<p></p>	

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AGENT WORKSHEET MATH

- 113 Unsold
- 31 Sold 3 months

Q 23

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WHAT SELLERS NEED TO KNOW

1. How many homes are competing with yours for the buyer's attention?

Total # of unsold properties

113

Q 24

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WHAT SELLERS NEED TO KNOW

2. On average, how many homes in this price range are being sold each month?

of sold properties ÷ 3 (months) = _____

$$31 \div 3 = 10.33 / \text{month}$$

Q 25

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WHAT SELLERS NEED TO KNOW

3. How many months will it take, at the rate buyers are currently buying, to sell all of the homes in your price range?

of unsold properties ÷ # of properties sold each month

$$113 \div 10.33 = 10.9 \text{ months}$$

Q 26

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WHAT SELLERS NEED TO KNOW

4. What are the odds, in today's market, of selling a home in this price range within the next 30 days?

of properties sold each month ÷ # of unsold properties

$$10.33 \div 113 = 9\%$$

Q 27

More to the Story "The Shopping Cart"

I wonder if I can cut in line!

It will take over 10 months for all of these homes to sell

113 sellers in line in my price range?

\$150,000
\$200,000
Line only

Attention... We are taking 10 per month at this time

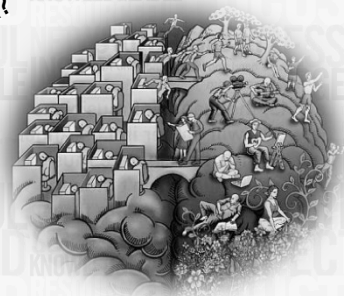
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KNOWLEDGEABLE

Why does it work?



Q 29

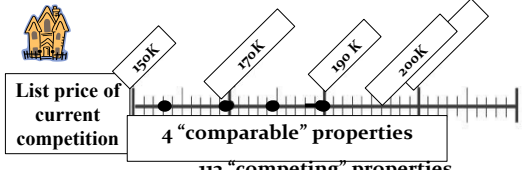
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KNOWLEDGEABLE

Consider competition when positioning

“Where, on this red line, would you like to ‘position’ your home to attract today’s buyers?”



Q 30

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KNOWLEDGEABLE

It Works!

From: Michael Hexter
[mailto:michaelhexter@howardhanna.com]
To: jackie@coachjackie.com

Today, I asked where our Lakefront owner wished to reposition himself behind the checkout counter. After seeing the number of shopping carts in line, he wanted to reposition himself by \$100,000

WOW-the power of the line.

Q 31

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KNOWLEDGEABLE

“Jackie

The shopping cart method has landed me 2 listings since class, possibly 3, and got one of my sellers to lower his price with out a fight. Thank you so much for that information. I love it and it works.

Thanks and have a great day!

Krista Spohn
 Russell Real Estate Services”

Q 32

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REPOSITION TODAY!

"Mr. / Mrs. Seller, I just attended an advanced seminar on market research. I ran a market study for your home and found some great information that will help us better understand what's happening in today's market.

When can we meet to go over this information?"

Q 33

SHOPPING CART - MARKET ANALYSIS					
All residential properties with in _____ miles of subject home					
Price Range	Unsold Listings	Closed last 90 days	Closing Per month	% Closed Monthly	Months of Inventory
\$ 0 - \$149,999			0.00	#DIV/0!	#DIV/0!
\$150,000 - \$199,999			0.00	#DIV/0!	#DIV/0!
\$200,000 - \$249,999			0.00	#DIV/0!	#DIV/0!
\$250,000 - \$299,999			0.00	#DIV/0!	#DIV/0!
\$300,000 - \$349,999			0.00	#DIV/0!	#DIV/0!
\$350,000 - \$399,999			0.00	#DIV/0!	#DIV/0!
\$400,000 - \$499,999			0.00	#DIV/0!	#DIV/0!
\$500,000 - \$749,999			0.00	#DIV/0!	#DIV/0!
\$750,000 - \$999,999			0.00	#DIV/0!	#DIV/0!
\$1,000,000 or more			0.00	#DIV/0!	#DIV/0!

8304 Blackwolf 53717...198 Unsold / 42 sold SF, CD

Q 34

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BUYER'S PERCEPTION

APPRaiser's PERCEPTION

SELLER'S EDUCATED DECISION

Q 35

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CHALLENGES WITH CMA'S

Q 36

Property Short Report

Simplicity is the ultimate sophistication!
Leonardo da Vinci (1452-1519)

E
Gu
I

3737



5 minute QHA

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REINVENT YOUR OLD "CMA"

Q	H	A
• Qualified	• Home	• Assessment

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QUALIFIED HOME ASSESSMENT

- Sellers look for qualified buyers
- Buyers look for qualified homes!

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KISS

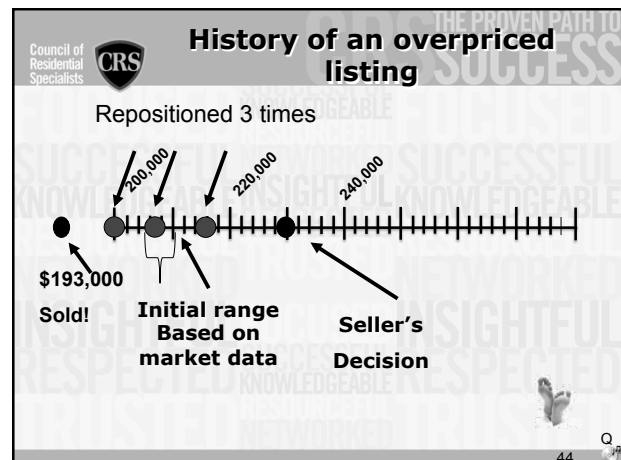
Use the “long list”
And the “short list”

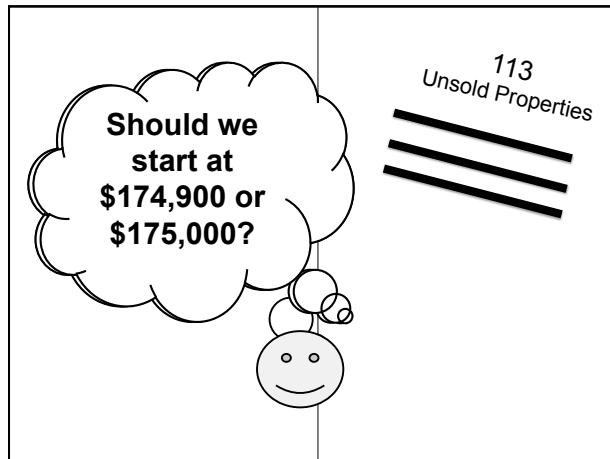
113
Unsold Properties

1st
Showings

113
Unsold Properties

Position to:
Sell in...Sit on...or Be
out
Of the market





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Coach Jackie...

You asked which is better \$249,900 or \$250,000? I thought to myself, \$249,900 of course - I have been selling real estate for over 9 years and that is the way you do it because it sounds a lot less than \$250,000. OOPS

I went back after your class and changed \$199,900 to \$200,000 on 2 houses - that had sat for over 6 months - they both sold in a month. Changed a \$454,900 to \$450,000 that had sat for 7 months, then it sold in 2 weeks.

Thanks for a simple, free and powerful marketing tool.

Robert A. Ouzts Rock Hill, SC Allen Tate Co. Real Estate Broker

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TEST MARKET PERIOD

- NAR statistics: One offer should come out of 10 showings on a "well positioned" home
- Test the market for ___# of showings or ___# of days, whichever comes first

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If the market is

3

Responses

from the

Market

on time...

reposition

Our goal is to position your home to attract the maximum number of buyers in today's market. More buyers typically means a higher price, better terms and shorter days on market. There are really only three responses from the market:

Slow or no showings (Obvious need to reposition)

A few showings, but no acceptable offers (Reposition, or be patient)

You get an acceptable offer within the first 21 - 30 days

If the market is not responding in a way that will get you where you want to go, on time, consider repositioning your home

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BOTTOM LINE

- Meet the marketplace (Reposition)
- Wait for the market to change

A case for Walk-away



Q

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