

FastTrack™

Session 7

Moving Beyond Bonding...Letting the Numbers Do the Talking



To your Achievement of Excellence in Life

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OBJECTIVES

During this session you will:

- Gain a clearer understanding of the trends in your marketplace
- Analyze your listing inventory
- Understand the cost of unsold listings

MOVING BEYOND BONDING

It is one thing to understand something – it is quite another to be able to articulate that information in a manner that causes a buyer or seller to understand what you are telling them, and to follow your counsel so they can achieve their goals.

INFORMATION YOU SHOULD BE TRACKING

Information you should be tracking on an ongoing basis:

- Is the number of homes sold going up or down?
- Is the total volume increasing or decreasing?
- Is the number of homes for sale up or down?
- Do buyers have a greater selection than last quarter or this time last year?
- Is the number of homes for sale rising or falling compared to last quarter or this time last year?
- Is there more inventory in certain geographic areas than last quarter or at this time last year?
- Is the inventory aligned with the demands? We need to know if we are experiencing a net gain per month or net loss in the inventory levels.
- What percentage of the marketplace within price ranges are taking price reductions in any given month? How does that compare to last year?
- What percentage of the inventory is expiring or being withdrawn each month? How does that compare to last year?

COMPILING A MARKET ANALYSIS

Segment your marketplace geographically

Segment your marketplace into five price segments

FastTrack™ EXAMPLE

Real Estate Market Trends

FTAccountability@RealEstateChampions.com/Fax: 541-330-7449

Client _____ Group: _____ Coach: _____ Date: _____

Monthly Report Month: March 2011

Price Range	Current # Of Listings	Avg # of Sales Per Mo.	Selling Price % of List Price	Number of Expireds	Number of Price Reductions	Avg Days on Market	Remaining # Months Inventory
\$ 125,000 - \$225,000	127	55	98%	25	52	140	2.3
\$ 225,100 - \$325,000	76	32	98%	15	14	131	2.4
\$ 325,100 - \$425,000	73	13	96%	15	10	191	5.6
\$ 425,100 - \$525,000	41	6	99%	8	13	216	6.8
\$ 525,100 and up	94	11	92%	19	17	160	8.5

Monthly Report Month: April 2011

Price Range	Current # Of Listings	Avg # of Sales Per Mo.	Selling Price % of List Price	Number of Expireds	Number of Price Reductions	Avg Days on Market	Remaining # Months Inventory
\$ 125,000 - \$225,000	120	63	98%	24	40	133	1.9
\$ 225,100 - \$325,000	73	20	98%	15	28	137	3.7
\$ 325,100 - \$425,000	79	15	97%	16	20	183	5.3
\$ 425,100 - \$525,000	37	8	97%	7	4	174	4.6
\$ 525,100 and up	104	4	91%	21	17	140	26

Monthly Report Month: May 2011

Price Range	Current # Of Listings	Avg # of Sales Per Mo.	Selling Price % of List Price	Number of Expireds	Number of Price Reductions	Avg Days on Market	Remaining # Months Inventory
\$ 125,000 - \$225,000	111	81	98%	22	38	149	1.4
\$ 225,100 - \$325,000	101	28	97%	20	42	104	3.6
\$ 325,100 - \$425,000	86	17	97%	17	21	162	5.1
\$ 425,100 - \$525,000	56	5	98%	11	20	97	11.2
\$ 525,100 and up	117	13	93%	23	25	404	9

FastTrack™ EXAMPLE

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Client _____ Group: _____ Coach: _____ Date: _____

Quarterly Report: _____ **Through** _____

Price Range	Current # Of Listings	Avg # of Sales Per Mo.	Selling Price % of List Price	Number of Expireds	Number of Price Reductions	Avg Days on Market	Remaining # Months Inventory
\$ 125,000 - \$225,000	119	66	98%	24	43	140	1.8
\$ 225,100 - \$325,000	83	27	98%	17	28	124	3.1
\$ 325,100 - \$425,000	79	15	92%	16	15	172	5.3
\$ 425,100 - \$525,000	44	6	94%	9	12	162	7.3
\$ 525,100 and up	60	7	92%	12	20	164	8.6

Previous Quarter's Statistics: _____ **Through** _____

Price Range	Current # Of Listings	Avg # of Sales Per Mo.	Selling Price % of List Price	Number of Expireds	Number of Price Reductions	Avg Days on Market	Remaining # Months Inventory
\$ 125,000 - \$225,000	146	43	100%	29	36	111	3.4
\$ 225,100 - \$325,000	84	24	98%	17	15	161	3.5
\$ 325,100 - \$425,000	65	8	97%	13	8	143	8.1
\$ 425,100 - \$525,000	47	4	95%	9	12	271	11.8
\$ 525,100 and up	91	2	92%	18	15	312	45.5

Same Quarter Last Year Statistics: _____ **Through** _____

Price Range	Current # Of Listings	Avg # of Sales Per Mo.	Selling Price % of List Price	Number of Expireds	Number of Price Reductions	Avg Days on Market	Remaining # Months Inventory
\$ 125,000 - \$225,000	233	78	49%	69	46	132	3
\$ 225,100 - \$325,000	147	35	98%	44	36	154	4.2
\$ 325,100 - \$425,000	100	26	94%	30	20	241	3.8
\$ 425,100 - \$525,000	55	10	94%	16	11	239	5.5
\$ 525,100 and up	38	3	95%	11	81	179	12.7

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Client _____ Group: _____ Coach: _____ Date: _____

Monthly Report Month: _____

Price Range	Current # Of Listings	Avg # of Sales Per Mo.	Selling Price % of List Price	Number of Expireds	Number of Price Reductions	Avg Days on Market	Remaining # Months Inventory
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BREAKOUT SESSION

BREAKOUT SESSION 7

Agent Choice 1: You are conducting a buyer interview. You suspect the buyer may have great expectations of buying a home for pennies on the dollar. They are looking at medium price range. Using the sample current Monthly Market Trends report in your workbook, your job is to bring them to their senses!

Agent Choice 2: You are sitting in front of sellers who continue to insist that their granite countertops dictate a premium price for their home which is in the upper middle price range. Convince them they need to take a \$20,000 price reduction.

BREAKOUT DEBRIEF

OVER-PRICED INVENTORY

Invest time in price reductions.

- Productivity

- Profitability

- Saleability
 - Your listings taken versus listings sold
 - Your average list price to sale price
 - Average time on the market

COST PER TRANSACTION FORM

FTAccountability@RealEstateChampions.com/Fax: 541-330-7449

Client _____ Group: _____ Coach: _____ Date: _____

Cost Per Transaction

All expenses for your business ÷ units closed

Time Invested Per Transaction

Hourly rate x hours you invest in a transaction

Actual Cost

Lost Revenue

Average commission check or 3% x BMSP of property

Total Loss of Unsold Listing

5 STEP SYSTEM TO PRICE REDUCTIONS

1. Get the listing at the right price the first time
2. Get the reduction the night of the listing
3. Begin to collect data from day one
 - Get feedback from showings...push for real feedback
 - Get it in writing if you can
 - Evaluate the other sales
 - Continue to do market trends reports and show them to the seller
 - Evaluate inventory
4. Start the price reduction discussions early with the seller
5. If you are not successful over the phone, bring them into the office

Script for meeting to discuss price discussion:

“Mr. Seller, as I mentioned when we first listed your home for sale, an important part of my job is to closely monitor the market. In doing so these last ____ weeks I have some important data I want to share with you that is impacting our ability to get your home sold. Are you available this afternoon to discuss it?”

Script for motivation:

“When we go out to buy a home are you, as a buyer, going to be concerned with what the seller needs to net? Don’t you think most buyers are going to feel the same way you do?”

The great truth a seller must understand about their home price:

Their price is governed by the law of supply and demand.

RULES FOR TAKING/KEEPING OVER-PRICED LISTINGS

- Have a strong motive to sell.
- Have the financial capacity to sell at market value.
- Make a long-term commitment to allow you to represent them.
- Agree to accept a “Realistic Opinion of a Reasonable Buyer’s Probable Value.”
- Understand and accept the over-pricing problems.
- Understand and accept the competitive pricing benefits.
- Know that a buyer will not buy their home unless they are convinced that it is the best value of its type in the market.
- Know and accept that you will talk with them at least bi-weekly about adjusting their price.

ACTION PLANS – WEEK 7

1. 5/5/5 daily. Report your prospecting numbers to your accountability partner.
2. Meet with your accountability partner weekly to practice scripts and dialogues.
3. Compile your own Market Trends Report based on the criteria we have talked about today. Then review it with your accountability partner.
4. Complete an analysis of your listings on hand. Begin monitoring that on a weekly basis. Make appointments with sellers who need price reductions.
5. Calculate your cost per transaction and the cost of an unsold listing.