

Listing Mastery™

Session 4

Developing a Powerful Value Segment



To your Achievement of Excellence in Life

TABLE OF CONTENTS

OBJECTIVES..... 2

RELINQUISHING CONTROL – SELLER SELECTS THE VALUE 3

INFORMATION WE SHOULD BE TRACKING 5

MARKET TRENDS REPORT 6

 MARKET TRENDS REPORT FORM - MONTHLY 6

 MARKET TRENDS REPORT FORM - QUARTERLY 7

 MARKET TRENDS REPORT EXAMPLE - MONTHLY 8

 MARKET TRENDS REPORT EXAMPLE - QUARTERLY 9

BREAKOUT SESSION 10

 BREAKOUT SESSION 4 SCENARIO 10

FOUR COMPONENTS OF A GREAT SALES PRESENTATION 10

CONSTRUCTING A POWERFUL CMA 11

SELECTING THE RIGHT COMPARABLES 12

CMA VALUE ALIGNMENT 13

THREE STRATEGIC SELLING ADVANTAGES 14

ACTION PLANS – WEEK 4..... 14

OBJECTIVES

During this session you will:

- Defining your role in evaluating the marketplace.
- Using The Big 3 in trending the marketplace.
- Creating and using a Market Trends Report.
- Sales strategy of a powerful CMA.

RELINQUISHING CONTROL - SELLER SELECTS THE VALUE

Script: My role

Associate: *Mr. and Mrs. Seller, there is no perfect or exact value for real estate. The marketplace determines the value of your home. What I think your home is worth doesn't matter. Based on today's market conditions, inventory of homes, recent sales, homes that failed to sell, all those factors we will use and together we will determine the market value based on the marketplace. How does that sound to you?*

My role in determining the value of your home:

- There is no "exact value" for any piece of real estate.
- The marketplace will identify your home's value.
- My opinion of your home's value doesn't matter.
- Jointly we evaluate the marketplace and your home's value.

Script: My role

Associate: *In the end _____ and _____ there are segments in the sale of your home that we can control and other segments that are out of our control.*

The location of your home is fixed and can't be changed. The marketplace value is controlled and determined by the marketplace. I will control and execute a quality marketing strategy. You will certainly control the condition of the home as well as selecting the initial asking price for your home.

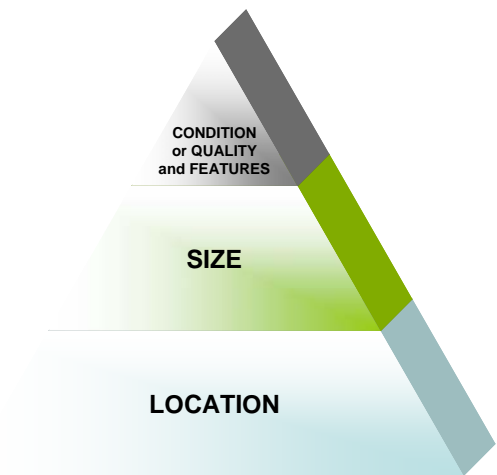
We have to understand what the marketplace is expressing about your home as it relates to the other options buyers have selected or could select instead of your home.

Factors that influence property value:

- ➔ Condition or quality and Features
- ➔ Size
- ➔ Location

Location and Size determine the property’s value.

Features and Condition influence value less.



Script: Factors that influence property value

Associate: *Mr. Seller, let’s say we are looking for your next home. I call you with a great new listing. What is the first question you will ask me? Where is it located? That’s what the buyers ask first is location. You have heard the old adage, location, location, location? That’s because it has the greatest influence on value.*

Associate: *Mr. Seller, before we talk about all the wonderful amenities you have to your property, we have to understand how value is determined for real estate.*

The base of the value pyramid is location. Your home’s location is the biggest factor in determining the value of your home. We certainly can’t change the location so we have to consider value based on location first and then size of your property. Do you see how real estate works?

Controlling the sale of your home:

Element		Control
Location	➔	Fixed
Marketplace Value	➔	Marketplace
Marketing Strategy	➔	Real Estate Agent
Property Condition	➔	Owner
Initial Asking Price	➔	Owner

INFORMATION WE SHOULD BE TRACKING

- 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 the mix of inventory for sale the same in townhomes, condos, and single family residences? Is it the same percentage of the overall market as 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?

Listing Mastery™

Real Estate Market Trends

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

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
\$							
\$							
\$							
\$							
\$							

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
\$							
\$							
\$							
\$							
\$							

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
\$							
\$							
\$							
\$							
\$							

Listing Mastery™

Real Estate Market Trends

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

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
\$							
\$							
\$							
\$							
\$							

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
\$							
\$							
\$							
\$							
\$							

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
\$							
\$							
\$							
\$							
\$							

Listing Mastery™ EXAMPLE

Real Estate Market Trends

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

Client _____ Group: _____ Coach: _____ Date: _____

Monthly Report Month: March

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

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

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

Listing Mastery™ EXAMPLE

Real Estate Market Trends

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

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	99%	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

LISTING MASTERY SESSION 4 – DEVELOPING A POWERFUL VALUE SEGMENT

BREAKOUT SESSION

BREAKOUT SESSION 4

Practice using the Market Trends Report example from your workbook. Point out key trends and key numbers that will influence the value of the seller's home.

BREAKOUT DEBRIEF

FOUR COMPONENTS OF A GREAT SALES PRESENTATION

1. CONFIDENCE

2. CONVICTION

LISTING MASTERY SESSION 4 – DEVELOPING A POWERFUL VALUE SEGMENT

3. ENTHUSIASM

4. ASSERTIVENESS

CONSTRUCTING A POWERFUL CMA

During your preliminary pull of comparables establish three numbers:

1. Value of the home based on today's market conditions.
2. The price you want to list it for.
3. The price you won't exceed.

Put the CMA together sequenced by price.

Do you see where your home fits in the marketplace?

Is there a place where your property is aligned with the marketplace?

Based on this data and the marketplace, where do you see your home fitting?

SELECTING THE RIGHT COMPARABLES

SOLD

Recent sales of similar properties, style, features, amenities, condition

How do you feel about these homes?

What are these homes saying about market value?

Where do you see your home fitting in here?

Do you see a pattern or trend emerging?

PENDING

Sold but unclosed or settled

ACTIVE

The Actives you select need to be real and viable options that a buyer would consider

EXPIREDS

The market rejected properties

CMA VALUE ALIGNMENT

Key options in CMA closing:

- Present a range to allow them to discover value
- Engage them and ask them how they feel
- Question their assumptions, not your own
- How did they arrive at “their value”?
- Where do they see their home fitting?
- Net sheet close

Scripts:

Is this enough net to get you to your goals?

If not, how much more do you need?

Make them feel you are with them:

- *I really wish we could get more*
- *The market is not cooperating*
- *What would you like to do?*

Scripts:

So the marketplace is _____ away from your expectations, is that correct?

I am not sure that the marketplace is going to change that, given its state. What happens if that is the case? What will you do?

It seems that the marketplace is not moving in that direction; I certainly wish it was. What other options in your view do you have given the state of the marketplace?

Would you be willing to take a little less given the marketplace realities?

THREE STRATEGIC SELLING ADVANTAGES

1. It's an opportunity to confirm agreement.
2. It's an opportunity to close.
3. Opportunity to get commission out visually.

Scripts:

Bob and Mary, is this enough from the sale of your home to accomplish your goals?

Bob and Mary, is the enough from the sale of your home to accomplish your objectives?

Bob and Mary, can we achieve what you want with this amount in net proceeds?

Bob and Mary, how much off is the market from your meeting your objectives?

Would it be possible to borrow a little more on the next home?

Do you think you could find some investments that would give you a better return for your nest egg?

ACTION PLANS – WEEK 4

1. Complete your Why You Should Hire Me segment, if undone.
2. Construct your value discussion strategy.
3. Re-craft your CMA approach, if needed.
4. Practice twice this week with your Role-play Partner.