

# WEDNESDAYS

with

# WAYNE



L I V E   A G E N T   T R A I N I N G

## The Ultimate Listing Presentation

Session #2...*Pricing*

# The Immutable Laws Of Real Estate

Law #1

“Emotions”

Buyers start the process in a very pragmatic way, then become emotional.

Sellers start out emotional and become pragmatic.

Law #2

“Baselines”

Buyers draw a baseline of physical features and will not go below it.



**SEE THE FIELD**  
CONSULTING

— Find **Your** Path —

### Law #3

#### “Payment”

Most buyers don't care about the final sales price of the home they purchase.

Buyers only care about:

- 1) Down Payment
- 2) Monthly Payment

We now live in a PAYMENT driven economy!

### Law #4

#### “Ratio”

Because buyers don't care what the sales price is, properties bring between 96-98% of listed price.

Law #5

“Time”

Time is not a seller’s friend.

Agents deal with new inventory...not old.

Law #6

“Expectations”

The condition of a home needs to be “at the market”.

Buyers will not pay extra money for features they do not expect.



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## Law #7

### “Bracketing”

Buyers buy in price brackets.

Under \$100,000

\$5,000 Brackets

(\$70,000-\$74,900)

\$100,000-\$200,000

\$10,000 Brackets

(\$150,000-\$159,900)

\$200,000-\$300,000

\$25,000 Brackets

(\$200,000-\$225,000)

Over \$300,000

(\$50,000 Brackets)



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Law #8

“Cream”

Cream rises.

Law #9

“Who’s helping who?”

Selling homes is all about competition. Either the marketplace is helping you sell your listing, or you are helping someone else sell theirs.

Law #10

“3 Levels”

Agent Excitement

Buyers in Great Numbers

Top 2-3 Homes

What one buyer likes they all like  
What one buyer dislikes, they all dislike  
They’re all looking at the same homes!

## LAW #11

### “Control”

Real Estate is all about control. One party always has more control. It's never a level playing field.

#### Seller Control Levers:

Time on Market

Price

Ease of Showing

Condition

Terms

#### Buyer Control Levers:

Time on Market

Condition



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# THE “ORDER OF THINGS”

Prelisting Phone Conversation

Prelisting Appointment

Homework (24 Hour Minimum)

Confirm Listing Appointment

Past Experiences

One of Three Things

Uncover Important Issues

Ask For Commitment

Prioritize

Win/Lose Mutual Expectations

CMA

Marketing Plan/USP's

**CLOSE**

Session #1

Today's Session



TRUTH : “Someone in every listing presentation is going to be **PASSIONATE** about the price of the home. The problem is, 95% of the time it’s the seller not the agent”



**SEE THE FIELD**  
CONSULTING

— Find **Your** Path —

Remember that the seller only has to defend their price with emotion.

You must be prepared to defend your price logically, and from every possible angle.



## Basic Pricing Theory:

1. Because buyers approach the process pragmatically, at the first level, every house is “average”.
2. “Extras” only matter at the second level.
3. CMA should represent a very specific type of property, in a very large price range, giving the seller every opportunity for top dollar.
4. If sellers understood how a buyer looks at property, they would understand the importance of accurate pricing.
5. Your pricing model and conversation should bring out the reality of pricing.
6. While price is presented in a tabular format, always have supporting detail sheets of all properties shown on CMA in case you need to go into detail on any property.



Now you are in the most crucial part of the presentation. Be sure to tie all comments back to the sellers in the context of their TOP 3 ISSUES.

Key Numbers and correlations that you MUST pull out of the market analysis:

1. Listing price to Sales price ratio/percentage.
2. Average days on Market.
3. Numbers of bedrooms, baths, etc. of comparable homes.
4. Competing homes.
5. Average prices of Solds, Actives and Expireds.

If there are any disagreements on price, go back over the numbers in the context of the sellers needs from the TOP 3 ISSUES until you either have an agreement, or decide you aren't going to.



# PRICING

“Mr./Mrs. Seller, let’s talk about the value of your home. Anytime we look at the value of a home, there are certain parameters within which people buy homes. There are certain things they are looking for. The reality is, they are looking for the same things you were looking for when you purchased this home. Here are the parameters that I used.”

*SHOW THE SELLER ALL OF THE SEARCH CRITERIA THAT YOU USED.*



THE MARKET ANALYSIS WAS  
CREATED USING THE FOLLOWING  
CRITERIA:

Bedrooms: 3

Bathrooms: 2+

Garage: 2

Construction Material: Brick

Lot Size: Residential

Square Footage: 2000-2500

Price Range: \$200,000-\$300,000

Age: 10-20

Area: SE/Glendale

“Would you agree that these are houses just like yours?”

THE ANSWER SHOULD BE YES! If the answer is no, your CMA is incorrect.  
Ask to regroup and come back at a later time.



# Presenting Price



# The order of presentation is CRUCIAL!

SOLD



U/C PROPERTIES



EXPIRED/WITHDRAWN PROPERTIES



ACTIVE COMPETITION



SUMMARY PAGE

After presenting the summary page, BE QUIET. Simply present your price and SHUT UP! Sit on your hands, grab your chin, poke yourself with a pencil, but don't talk!

REMEMBER: He who speaks first LOSES!



# Comparative Market Analysis

## Property Sold

	Address	Original Price	Asking Price	Selling Price	\$AP	DOM	Date	Bed	Bath	Garage
1.	3647 S Homewood	\$237,500	\$224,900	\$223,000	99.2	92	Oct-23	3	2	2
2.	1627 S Jewell	\$239,900	\$239,900	\$232,000	97.6	68	Nov-23	3	2	2
3.	1849 Main	\$242,000	\$242,000	\$237,500	98.1	17	Jan-24	3	2	2
4.	2688 Johnson	\$239,900	\$239,900	\$238,000	99.2	6	Dec-23	3	2	2
5.	2787 Catalina	\$249,900	\$239,900	\$239,900	100	124	Nov-23	3	2	2
6.	2942 Meadow	\$239,900	\$239,900	\$241,000	100.4	1	Oct-23	3	2	2
7.	2816 Cedar	\$247,500	\$247,500	\$242,000	97.8	16	Feb-24	3	2.5	2

**Average Days on Market**

**46**

**Average List / Sale Price Ratio**

**99%**

# Comparative Market Analysis

## Property Under Contract

	<b>Original Price</b>	<b>Asking Price</b>	<b>Beds</b>	<b>Bath</b>	<b>Garage</b>	<b>DOM</b>
<b>Address</b>						
1 1427 Appleway	\$239,900	\$239,900	3	2	2	6
2 1787 Greenbrier	\$249,900	\$249,900	3	2	2	4
3 1646 Fremont	\$254,900	\$249,900	3	2	2	80

**Average Days on Market**      **30**

# Comparative Market Analysis

## Property Expired/Withdrawn

	<b>Address</b>	<b>Original Price</b>	<b>Asking Price</b>	<b>Beds</b>	<b>Bath</b>	<b>Garage</b>	<b>DOM</b>	<b>EXP/WD</b>
1	1427 Sunrise	\$259,900	\$259,900	3	2	2	180	EXP
2	1987 Bluebonnet	\$269,900	\$269,900	3	2	2	120	EXP
3	4187 Stewart	\$274,900	\$274,900	3	2	2	89	WD

**Average Days on Market      130**

# Comparative Market Analysis

## Property for Sale

	<b>Address</b>	<b>Original Price</b>	<b>Asking Price</b>	<b>Beds</b>	<b>Bath</b>	<b>Garage</b>	<b>DOM</b>
1	123 Main	\$255,000	\$240,000	3	2	2	90
2	1474 Smith Rd	\$242,500	\$242,500	3	2	2	4
3	1574 Johnson	\$249,900	\$249,900	3	2	2	45
4	1678 Glenn	\$265,000	\$254,900	3	2	2	130
5	2765 Holland Ln	\$265,000	\$259,900	3	2	2	70

**Average Days on Market**

**68**

# Comparative Market Analysis Summary

<b>Number of Homes Sold:</b>	<b>7</b>
<b>Average Selling Price:</b>	<b>\$236,200</b>

<b>Number Of Homes For Sale:</b>	<b>5</b>
<b>Average Asking Price:</b>	<b>\$249,440</b>

<b>Number Of Homes Exp/WD:</b>	<b>3</b>
<b>Average Asking Price:</b>	<b>\$268,100</b>

# CLOSING

Once sellers have been allowed to discover what working with a knowledgeable professional would be like, closing is a snap. There is no need for “closing lines”, it is the forgone conclusion that you are someone they should work with.

“Mr. and Mrs. Seller, after our conversation, I would welcome the opportunity to represent you in the sale of your property. So you feel the same?”

“Great...

is there any reason not to go ahead with this?

are we ready to move ahead?

is there anything we need to do before we get started?

do you want me to handle the sale for you?

**Truth: No amount of marketing will fix a bad price!**

After you have an agreement, now is the time to present your “marketing plan”. The “marketing plan” is really an explanation of how the marketplace works, the strategies you are going to implement, and most importantly, how you plan to communicate with the owners during the process.



# Seller Issues: (Perhaps the Tougher Conversation)

1. Time is not a seller's friend.
2. Anything that elongates the timing of the transaction is to the detriment of the seller
3. Over 90% of transactions involve 2 agents
4. The “traditional” compensation structures created initial speed
5. Initial speed was promoted via MLS system
6. Speed creates bidding wars
7. Bidding wars are good for sellers!





# Seller Dialogue: Explaining the “Playing Field”

“There have been changes in the industry that you may or may not have heard about. Previously, I offered a portion of my commission to all the other agents who may have had a buyer for your house through the MLS system. Due to new rules, possibly beginning as early as mid-July, we will no longer be able to offer compensation via MLS. Although it is not required in anyway, it is in your best interest for us to offer attractive compensation to the X # of members of our MLS, as there is a greater pool of buyers among the other agents in MLS than I or any agent would have.



Where previously an agent would have known via MLS what compensation we were offering, now they will in most cases be contacting me, to determine if what we are offering is in line with their buyer agreement. If there is a deficiency between their agreement and our offer of compensation, one of three things will happen:

1. Buyer will cover the deficiency
2. Contract will include us raising our compensation
3. Agent will decide to reduce fee to be in line with our offer
4. Buyer will decide to not look at the house

In every case, the process is slowed, which is not to our advantage. I would suggest that we offer X% to agents working with buyers so that we are able to create speed.

(Go back over the ave. DOM for past sales to validate the process)



Once you have agreement that you want to work together, and have an agreement on price, it's time for the final step...

# MARKETING/USP'S

(Strategy and Communication)

See You in 2 Weeks for  
Session #3!





*See you April 3rd  
for  
The Ultimate Listing Presentation  
Value Propositions  
&  
Pricing Q/A*

# Thank You!

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