SESSION 6 – Preparing for the Listing

Time Tip of the Day.

Don’t allow incoming calls, texts and emails to replace your work plan

Being Responsive does not require monitoring and answering incoming messages in real time*

• Learn and manage your inbox and voice messaging features
• Schedule regular intervals during the day for return communication
• Choose which method of communication is most efficient
• When you leave messages provide detail to speed resolution

(*There are some exceptions to this rule.)

“Things which matter most must never be at the mercy of things which matter least”
- Johann Wolfgang von Goethe

Session 6 Objectives

☐ List several benefits of being a listing sales associate
☐ Identify components of an effective pre-listing package
☐ Customize your Sales Associate Portfolio
☐ Discover sellers’ needs by asking open-ended questions
☐ Explain the purpose and value of a Comparative Market Analysis (CMA)
☐ Define Fair Market Value and realize its significance in producing saleable listings
☐ Select the best comps in building a CMA, and effectively adjust for differences

Understanding the Listing Opportunity

Listings are the building blocks of a successful business

• Most effective way to find buyer clients
• Build visibility and name recognition

Listings allow you to leverage your investment of time

Leverage: The use of a small initial investment, or borrowed funds, to control a much larger investment in order to gain a very high return in relation to one’s investment.

• Best return on time invested
• Higher income likely
• Income stability when markets change
Objective: A saleable listing

A signed listing at a price and terms that are realistic
  • Priced in line with the market
  • Reasonable terms
  • Motivated owner

Reaching your objective – A saleable listing
  • Some owners are ready to commit to list with you immediately. Others need to be sold on the benefits
  • Some owners shop around and interview several sales associates, while others speak with only one sales associate.

Always build rapport, ask questions, use trial closes and know how close your prospect is to making a commitment. When they are ready, we are ready.

Prepare in advance to improve your success

*Luck is a matter of preparation meeting opportunity.* — L. A. Seneca

Objective: A Saleable Listing

Rapport Building & Discovery + Market Research & CMA → Listing Presentation → Seller Commitment

One visit or two?

Your Prelisting Package

A Prelisting Package may be shared prior to a listing presentation. It is intended to inform, educate and pre-sell the owner on the benefits of listing with you and your company.

Your Portfolio is a necessary component of the prelisting package. It is an opportunity to showcase:
  • Background
  • Team
  • Results
  • Expertise
For the most effective Portfolio . . .

- Before adding anything consider why the prospect would care (WIIFM)
- For greater impact, don’t overcrowd your portfolio. Less is more.
- Include only ad and marketing samples that your are prepared to offer

Ideas for Customizing

Background

- Your resume
- CENTURY 21® University® course certificates
- Industry designations and certificates
- Photos and information about yourself, family, hobbies
- Your personal statement, pledge or commitment
- Press releases

Team

- CENTURY 21® System Information
- National advertising promotions
- CENTURY 21 Business Benefits® offerings
- CENTURY 21 Global Referral Network℠ or Cartus Network
- Company fact sheet
- Photo of entire company – sales associates and staff

Results

- Letters of recommendation
- Individual or company sales statistics
- Success stories
- Photos of your customer holding the SOLD sign
- Awards and recognition
- Testimonials
Session 6

Expertise

• Marketing Plan
• CENTURY 21® SELLER SERVICE PLEDGE®
• Quality Service Survey
• Real estate articles you have authored
• Marketing materials
• Customized prototype ads or flyers

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Your First Meeting with the Seller

What can you do to ensure you make a great first impression during the first meeting with the seller?

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Your first meeting is a chance to learn more about

The Owner

Reason for selling, timeline, motivation, urgency, experience level, expectations, concerns and questions about the process

The Property

What they have to sell, special features and amenities, condition, appearance

Touring the House

• Bring the necessary tools
• Tour with the owner – ask questions
• Be thorough in your inspection
• Take notes
• Offer insights and suggestions
• Note conditional issues
• Ask about personal property items
• Do not discuss value or price
The Opportunity

Build Rapport → Demonstrate Expertise → Build Trust

Gain Seller Commitment

The Comparative Market Analysis (CMA)

The Comparative Market Analysis (CMA) is a written report containing specific listing and sales data that indicates an estimated fair market value range for a specific property.

Fair Market Value is the most probable price a buyer will pay a seller, in the current market and under normal terms and conditions.

The importance of a CMA

• Objective, fact-based value estimate
• Helps overcome the price objection
• Increases the probability of a successful sale
• Can be leveraged during buyer and seller negotiations
• You can make a fact-based decision concerning the price at which you are willing to take a listing

CMA programs can be time savers in assembling and formatting data. Your expertise in choosing the comps, adjusting for differences, and selecting the value range is critical. Ask your broker or manager for guidance.

Estimating Value

The CMA includes three categories of similar properties called comparables or comps, for short. Comparables should be similar to the subject property in the following ways:

<table>
<thead>
<tr>
<th>Requirements of Comparables</th>
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<tbody>
<tr>
<td>Location</td>
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The three categories of comps are Sold Listings, Current Listings, and Expired Listings
MLS is a good place to start your search for comps, but where else would you look?

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Three Categories of Comparables

- **Active Listings**: This is the competition. List price is known, sale price has yet to be determined.
- **Expired Listings**: The price buyers in the market have recently paid for similar property. Most important factor in determining value.
- **Sold Listings**: Owners unsuccessful. Shows prices buyers are unwilling to pay.

Comps are similar but not identical. Differences between comps and the subject property should be identifies. Each comparable is adjusted to the subject property.

Examples of differences to adjust for:

- Location
- Size, condition, features, amenities, improvements
- Time – Adjust for market condition change since time of sale

**How to adjust for differences**

- Know your market
- Follow rules or guidelines provided by office
- Use MLS and public record
- Seek input from manager or experienced sales associate
- Numerical values for adjustments are not included in the CMA
Class Exercise - Adjusting for Differences

Adjusting for Differences

The owners of 645 Walnut Street are FSBO prospects who have allowed you to complete a Comparative Market Analysis (CMA) for their property. You have gathered the best comparables in the SOLD category, and are beginning to evaluate and adjust for differences. Please review the property and market information provided and answer the questions that follow.

645 Walnut Street
• 4 BD
• 3 Car Garage
• SF: 3250
• Age: 10
• Condition: Good

488 Willow Park
• 4 BD
• 2 Car Garage
• SF: 3225
• Age: 15
• Condition: Excellent

SOLD 10 days ago

345 Harvest Circle
• 4 BD
• 4 Car Garage
• SF: 3400
• Age: 12
• Condition: Excellent

SOLD 170 days ago

1772 Red Oak
• 3 BD
• 2 Car Garage
• SF: 3100
• Age: 8
• Condition: Poor

SOLD 22 days ago

Fallbrook is a growing community. Residential real estate values are appreciating at a rate of 4% per year.
Adjusting for Differences

What features or conditions do you think would be **most** important to adjust for? Why?
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What features or conditions do you think would be **least** important to adjust for? Why?
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Setting the Fair Market Value range

• As you adjust for differences an apparent range of value will surface
• The quality of comps will determine whether your value range will be narrow or wide
• Encourage owner to select a list price within the Fair Market Value range

When to bring in help

• When you are brand new
• If the property is truly one-of-a-kind
• Substantial homes and estates
• Ask your broker or manager if you need help

Best Practices

• Never speculate on value in advance
• Always present price during the listing presentation
• Always present price after you have sold yourself, your company and CENTURY 21® Real Estate
• De-personalize the price discussion and focus on facts
• Always present a written CMA
• Be prepared to overcome price objections
• Be persistent!

Much more on the subject of presenting price in Session 7!
Session 6 Action Items

Please complete the following:

- Look for opportunities each day to meet people, present your business card and offer your services
- Report your activities and check off completed homework in the CREATE 21® Reporting Site
- Begin building your Sales Associate Portfolio
- Write your resume for inclusion in your portfolio
- Prepare a CMA for your house or for one of your company’s listings

Session 6 Additional Resources

- Questions to Ask when Meeting the Seller
- Taking a Tour of the Property
Ask Broker or Manager

Notes on things I need to discuss with broker or manager for this session:

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