

PRICING THE HOME RIGHT

At the time of listing, every real estate agent has several choices to make, but the most important to the seller will be the price of the home on the market. The single most important factor in any real estate transaction is the price. Yes, you want to make your client happy and get the listing, but agreeing to a price that is impossible. If you price the home too far out of the market, you will not get showings. The most critical part of the home marketing is the first 2 weeks when you're letting the world know the home is for sale.

Your client relationship should be built on an understanding that:

- 1 You are the industry professional
- 2 You work in the real estate industry fulltime
- 3 You constantly monitor the fluctuation in the local and national markets
- 4 That any listing price must be flexible and negotiable
- 5 That the seller must be ready to adjust to market conditions
- 6 That the seller agree in writing of the conditions

If your seller is not aware of these simple rules, you have already lost control over the listing. Sure, the seller owns the home, but they are using a real estate professional for a reason. You are the listing agent because the seller believes that the degree of professionalism, knowledge, skill and negotiating abilities are the best that meet their needs. Establish the ground rules so the seller knows how you work and what to expect.

Just like you should have a list of all the services performed throughout the listing and sale of their home, you should have an agreement stating a reassessment of the sale price is necessary every 30 days. If you are not sitting down with an offer for your seller in 30 days after listing the home, then you should be sitting down with them to get a price adjustment.

So how do you price it right to begin with? Sometimes listing a home seems like a crap shoot – you roll the dice, get a number and hope someone else rolls that same number... again and again and again. It shouldn't be! Although there is no exact science to the 'perfect' pricing of a home, you should use your experience, market analysis, sellable feature adjustments and taxable values to determine your price. Some agents prefer to give a range during a presentation, but even the range can be misleading. If you've done your homework, the margin of error should only be 1% from the listing price.

Give your seller an exact listing price. “Mr. and Mrs. Seller, if you list your home today at \$\$\$\$\$\$ the probability of it selling in the next 30 days significantly outweighs other homes in your market area.” Or “The highest probable price will place your home along side other homes that have been on the market for a long time. Pricing your home at \$\$\$ \$\$ will generate more interest and possibly bring offers to your table.” Giving an exact price assures the seller that you can make a decisive and clear decision, not weigh it on a probable range. You may be wrong, but you’ve already laid the groundwork for market corrections.

What if the home doesn’t sell in 30 days? Don’t wait 30 days! If you see in the first week that other agents are not showing the home, get feedback and let your seller know. If you run an ad and get little interest, let your seller know right away. In doing so, you’re preparing your seller for the price adjustment discussion long before the 30 days are up. If you have prepared the seller, then he or she is brutally aware of the recent activity, comments from other agents and potential buyers.

Let your Seller know the listing process. As part of your listing presentation, you should have a list of all of the services you provide to the seller as part of the home selling process. In doing so, you may also wish to explain each of them briefly so they fully understand the work that goes into each process. Telling them you will put their home on the internet is not enough. You need to let them know that by listing with you, their home will be listed on the top 40 home search websites, but it could take up to 2 weeks for their home to be listed and filter through the internet. This is just one example, but listing your services and how the services work can actually help build your client relationship.

Q: WHAT IF I FORGET SOMETHING DURING A LISTING PRESENTATION?

A: It’s always best to have a listing presentation for your appointment that you have memorized and can paraphrase if necessary. It is also a good idea to have a checklist for your listing as well. Some offices provide listing folders including all of the necessary paperwork and checklist of documents so you don’t miss anything in the process. Because of your legal responsibility as an agent, you want to make sure that every listing has the correct paperwork and that you know where to fill in all of the blanks, cross out the blanks and get the required signatures. Your organization will look more professional having a checklist for your listing, your presentation, your follow-up and your closing. If you do happen to forget something, don’t put it off! Get it taken care of immediately so you do not have any future problems.