



Talking to the BUYER

Price Per Square Foot

Hot Market

2. Illustration

1. In almost every market Buyers and Sellers read a story in the newspaper or talk to a friend and get the wrong information because it is not specific to their price range or area of interest.
2. You, the agent, can use an area and price range specific chart to show your buyer the pricing trend that is relevant to their home buying decision and to assure the buyers they are not paying more than the fair market value.
3. I'll use this chart as an example to show you how to determine the fair market value. The formula is very simple; just multiply the square footage by the average price per square foot of the most recent 3 months. In this example, the average price per square foot is \$143. For a 2,000 square foot house, that equates to \$286,000 (2000x \$143) as the base price. As mentioned earlier, the base price should be adjusted upward or downward based on the property condition, lot size, special amenities and other factors.
4. This example shows that we are in an up market. The prices have risen from an average of \$127 per square foot to \$144 per square foot. We simply divide our current price by the price from 15 months ago; this gives us a 13% increase in value.
5. Now let me share with you how you can speak to your buyer.

TALKING TO YOUR CLIENT SAMPLE DIALOG

6. Mr. & Mrs. Buyer, first I want to tell you that this is factual Multiple Listing Data for your area and your price range.
7. One of my **roles is to educate you** to current and past market conditions and to help you determine the best buying strategy for your individual situation.
8. Mr. And Mrs. Buyer as you can see in this chart the market has been on an upswing the last 8 of 15 months. Prior to that it was flat (You can draw arrows right on the print out).
9. This chart is very important. It provides us with an idea how aggressive you may have to be in your offering price. Each month that this trend continues, our chances of buying a home in this price range and area diminish.
10. Even though you will decide to buy a home because you love it, you will also want the comfort of knowing you did the right thing. Understanding market conditions with these graphs will provide you with peace of mind once you make your decision.
11. Mr. And Mrs. Buyer, timing is everything, so we will revisit these charts once a month to keep our finger on the pulse of the market until you find a home.”



Talking to the BUYER

12. Like most buyers, I know you would like to find a steal of a property. But in a market that is increasing price so rapidly, you may miss the opportunity completely if you focus on finding a bargain rather than paying a fair price.