



Talking to the BUYER

Price Per Square Foot

Slow Market

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 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 them 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 \$127. For a 2,000 square foot house, that equates to \$254,000 (2000x \$127) 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 a down market. The prices have decreased from an average of \$144 per square foot to \$127 per square foot. We simply divide our current price-per-square-foot shown on the report by the price 15 months ago, which turns out to be 10% decrease 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 with this report, the market has declined in the last 12 of 15 months. Even with the a few months on the rise, the general trend is downward. This will allow us to be aggressive in our offers. If you are still open as to which areas to move into, we can use this chart to find out which areas and price ranges are least affected by the market down turn. We may want to look for areas where the price trend is flat instead of declining. These areas are likely to be the first to recover and help you build equity sooner rather than later.