



## Talking to the BUYER

### Supply & Demand:

#### Hot (Seller's) Market

1. A hot (seller's) market is when you have less than a 3-month supply of homes. You can determine this by looking at the data spread sheet below the graphs. I have circled just a few of the months with less than 3 months inventory
2. You can also look at the pended sales red line to see if it is higher than the current dark green sold bar. In this example, the red pended line is higher than the sold bar. This means that our solds should increase in the months to follow. With pended sales increasing, the sellers market will continue until the listings exceed a 3-month supply. Given last years trend, that would seem unlikely. If you look at last year the inventory starts to drop as you enter the winter months.
3. You can also demonstrate inventory and sales history trends by drawing a big arrow across the graph when you show the chart to your customer. There are seasonal trends, which are different in each market. In this example the inventory decreases in the winter months, peaks during the summer then repeats itself as we head back into summer.
4. But even though inventory seems to be climbing in this example, all we have to do is look to last year, to see it starts to drop off in the fall months. Sales start to fall as well. If a Sellers home has not sold during the summer months they will have a tougher time in the winter. If the home has not sold in a hot market like this, it is over priced or in terrible condition.
5. During a Seller's market this graph is important for you – the agent, set expectations. With this graph you can prepare your buyers mentally and instill a sense of urgency. The longer this trend continues the less powerful the buyer's money become. Use the larger areas to create the graph and ask the customer to call you for information specific to their area and price range. E-mail your customers the most recent updates of Facts and Trends and provide them with on what the graphs mean to them.
6. Now let me share with you how you can speak to your buyer.

#### TALKING TO YOUR CLIENT SAMPLE DIALOG

7. Mr. & Mrs. Buyer, first I want to tell you that this is factual Multiple Listing Data for your area and your price range.
8. 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.



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9. Mr. And Mrs. Buyer, this Facts and Trends graph demonstrates that inventory is very low when compared to the number of homes selling.
10. There are fewer homes for sale than there were during the same period last year.  
(You can circle the last three months and the same three months one year ago to make your point.)
11. And, the number of homes sold and pended sales are far greater than that same period last year. This is a very active market. Sellers are aware of this.
12. By showing this to you and sharing some comparables in the same area and price range, we'll prepare for a winning strategy.
13. We need to be much more aggressive in our offering price if we intend to be successful finding and making a successful offer on a home in this area.
14. I want to also point out that the sooner we get you into a home the faster you will be able to enjoy the home value appreciation that the sellers are currently realizing.