



Talking to the Seller

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. This graph when used to show general trends will help you convince the sellers that their price range is not accelerating as fast or at all as they had falsely heard. And looking at the trend may want to be more aggressive in lowering their price.
2. You- the agent, can use an area and price range specific chart to show your seller the pricing trend relevant to their home and to advise them how to price their home aggressively but still remain within a reasonable range of 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 also showed 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-month ago, this gives us a 13% increase in value.
5. Now let me share with you how you can speak to your seller.

TALKING TO YOUR CLIENT SAMPLE DIALOG

6. Mr. & Mrs. Seller, 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 help you determine how to compete for the few buyers willing to buy in this market. Together, with this information we can create more realistic selling strategy.
8. Mr. And Mrs. Seller, as you can see in this chart the market has been an upswing the last 8 of 15 months. Prior to that timeframe it was flat. (You can draw arrows right on the print out)
9. Given this I think the trend will allow us to price your home as much as 10% (or less if you think the market is about to soften) above the market. We must evaluate our pricing



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10. tactic in the next 30 days if we do not receive any offers or the price per foot starts to fall next month.
11. Mr. And Mrs. Seller, I will be able to supply you with area and price specific information on your home when we list it and also provide you with this valuable information in the area that you are moving to.
12. Mr. And Mrs. Seller, by analyzing the last 15 months, it is clear that we cannot always count on appreciation in your market. If this current increase in value starts to falter, we should be prepared to drop our price before everyone else does, enticing current buyers to view or make an offer on your home. Timing is everything.