



Talking to the Seller

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.
2. You-the agent, can use an area and price range specific chart to show your seller the pricing trend that is relevant to their home and to advise the sellers how to price their home realistically given the current soft market condition.
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 three 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 also showed we are in a down market. The prices have gone from an average of \$144 per square foot down 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 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 by this chart, the market has declined during the last 12 out of 15 months. Even with a few months on the rise, the general trend is downward.
9. (You can draw arrows right on the print out to make your point)
10. Given this, I think the trend dictates a much more conservative pricing strategy. Though this isn't the best scenario, the real estate market does fluctuate. I am sorry to be the one showing you this, but I cannot change the functions of the market.
11. We can start at the price you were hoping to garnish but we must have a plan to reduce our price if we are not getting showings or offers with in the next 30 days or sooner.



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12. If the Trend gets worse, we need to be more proactive and be prepared to adjust the price accordingly. Every month we price ourselves above the market is another month of losing more of the equity you built into the home. Realistic pricing is very important.