

Comparison Flow Chart

by David Compton and George Smith

You may remember that we discussed assembling a "Comparison Flow Chart" where you would show a seller how you and your company compare in the services you offer with your competitors. The rules for this are:

1. Pick six, seven, or eight items from the marketing plan that you and/or your company excel in providing quality service to sellers.
2. List the six, seven, or eight items horizontal across the top of the chart.
3. You will list your company first and every item you have at the top will be a "Yes" for you on the Comparison Flow Chart".
4. You will list your top four or five competitors vertically down the left-hand margin indicating by either "Yes" or "No" whether they offer the services you have identified. Remember, that all of them will probably offer at least half, if not more, of the items you offer but there will be at least one "No" for each competitor.
5. In consultation with your broker, make sure that the chart accurately reflects what you and your competitors offer as services to the seller.

This "Comparison Flow Chart" along with the recruiting letters you are receiving from other brokers will help you greatly in dealing with the objection that they want to interview other agents. It will give the ammunition you need to handle this concern on the part of the seller.

A "Comparison Flow Chart" will show a seller how you and your company compares with your competitors. You start this by picking between six to ten items from your marketing plan that you and/or your company are particularly excellent at. You would then list these items horizontally across the top of your page.

Next, you identify the top three to five most formidable competitors in your market and list your company and these companies vertically on the left-hand margin of this page. You will always want to list your company first. Now with the corresponding feature, you will then identify that everything at the top of the page is something that you and/or your company offers. In other words, everything for your company is a "Y" for "Yes". You would then indicate whether your competitor offers this or not by putting a "Y" or "N" ("No") by that feature. Make sure that what you indicate is accurate and can be backed up. Do this in consultation with your broker and make it an office project. Here is the format in terms of how it might look:

| ITEM #: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|-------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| ABC REALTY | Y | Y | Y | Y | Y | Y | Y | Y |
| XYZ REALTY | Y | Y | Y | N | N | Y | Y | Y |
| UVW REALTY | Y | Y | Y | Y | Y | Y | N | Y |
| RST REALTY | Y | Y | N | Y | Y | N | Y | Y |
| EFG REALTY | Y | Y | Y | Y | N | N | Y | Y |

Assuming you are ABC Realty, you will see that you compare very favorably with your formidable competitors.



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THE MARKETABILITY EVALUATION

by George Smith & David Compton

While we have advised the use of various checklists to evaluate the salability of properties in the past, we are presenting you one that is very simple for both you and the seller to use in making decisions as to how their property can be successfully marketed. There are twenty points of evaluation and each should be rated from one to five with five being the best. While the research on this is anecdotal, it will still drive home a relatively reliable figure on the probability of success. It will also help you in establishing your own personal standards in taking listings, in establishing the primary responsibility with the seller, and will give you another tool to handout to prospective sellers. For each property that you evaluate, rate the following aspects from one to five.

1. List price is below market _____. On this one, your one to five rating would be based on how much the list price is below market. How attractive is the price compared to other properties that it is competing with in the area? For example, if it is more than 10% below market price in the area that might rate a five. If it is between 7% and 10%, it might be a four, and between 5% and 7%, it might be three, etc.
2. Attractive financing is available _____. If lenders are offering attractive financing programs, then the salability of the property is greatly enhanced. If financing becomes tight, then what type of options might the seller offer the buyer?
3. Post-dated price reduction _____. Sometimes, if you take a listing that is testing the market above the realistic market value, this could be a mitigating factor. Your rating of this would also be based on how long the post date is and how much the price would be adjusted by.
4. Odd (Attention-Getting) list price _____. While this won't necessarily make or break whether the property sells, an odd price like \$489,888 will attract more attention to it.

5. Customized marketing plan designed by agent and agreed to by seller _____. This is probably the single most important part of your role in establishing the salability of the property.
6. Full-term listing agreement _____. This is always relative to the average days on the market and the rate of absorption. Generally, you want your listing term to be at least two-thirds of the rate of absorption in your area. Thus, if the rate of absorption in the market is nine months, you would want your listing term to be at least six months to give you adequate time to implement your marketing plan for them.
7. Attractive commission rate offered _____. An attractive commission rate gives you the incentive to work more diligently to get their property sold and also gives you room to offer an attractive selling commission rate to selling agents. This will increase quality exposure for the property as it is very likely that another will have the right buyer for it.
8. Easy access for showing _____. Probably the most important consideration here is that the property is available on lock box. If the sellers are too restrictive, this will significantly impede the marketability of the property. Also, in the even that the sellers are at home when the property is being shown, do they understand the need to give the buyers the run of the property and to stay out of their way?
9. Yard sign _____. This may seem relatively insignificant but the N.A.R. reports that seventeen percent of buyers come from calls off yard signs. It can also be reasonably assumed that some of the best buyers come from them because they are attracted to the property.
10. Seller to provide redecorating allowance _____. A carpeting or wall-covering allowance will make the property more attractive to the buyer and enable them to choose how they want the home redecorated.
11. Immediate possession _____. In most cases, the sooner that a buyer is able to move in, the more inclined they are to buy it. They really want to get the move out of the way and get on with their lives.

12. Extra amenities included _____. Sometimes, when a seller is willing to include fireplace equipment, wall systems, and attractive patio furnishings, it will create more desire for their property with the buyer.
13. Pre-Home Inspection Offered _____. This assures the buyer that the seller is willing to make sure that the buyer has all of the facts about the property.
14. Property Disclosure Statement Offered In Advance _____. As with the pre-inspection, this assures the buyer of a fully-informed decision.
15. Pre-Order Appraisal _____. If the seller is willing to order an appraisal in advance, especially one approved by the lender, this will ensure greater likelihood of the home selling and closing.
16. Home Protection Plan offered by seller _____. The fact is that nine out of ten sellers want some kind of home protection on the home they end up buying. Offering them this perk will provide even greater assurance of the wisdom of their decision.
17. Avoid contingencies _____. When a seller is allowed to offer their property free of any other conditions or conditions that constrain the availability, it makes the property much more salable.
18. Property available for first office tour or caravan _____. The sooner you can get the other agents previewing the property, the sooner the property will be given quality exposure to quality buyers.
19. Seller to complete obvious needed repairs _____. When a seller offers to complete the obvious repairs that are necessary, it removes a big burden from the buyer and makes the buyer feel better about dealing with the seller.
20. Seller Acknowledges Marketability Evaluation _____. When the seller accepts the conditions of the evaluation, it will make them much more supportive of your efforts. This would be rated on a scale of lukewarm or cold (one) to very enthusiastic (five). Having them sign this will also solidify their commitment to your efforts, and yours to them.

After you have rated each of these factors, add them up for the score. The score will reflect the percentage probability of success of selling the home. Thus a score of 90% or more is a very salable property. A score of 80% to 89% is a salable property, 70% to 79% is relatively salable, 60% to 69% is marginally salable, and 50% to 59% could go either way. We would advise not taking a listing that has a score of less than 50% as that means the property is generally not salable.

This is another way for you to evaluate your potential clients. Remember they're evaluating you so you should always evaluate them as well.

Good Luck!

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