

**PRICING LISTINGS TO MOVE INVENTORY  
WITH JOE MEYER  
REALTORS® TRIPLE PLAY 2015**

- I. WHAT THE OWNER “WANTS” HAS NO BEARING ON MARKET VALUE. DEALING WITH THE OWNER’S EMOTIONAL PRICING NEEDS VERSUS FACTS OF RECORD.**
- a. The pitfalls of overpricing/underpricing listings –
    - a. The owner’s need to understand there are pitfalls to overpricing that could result in loss of both valuable time and money.
    - b. You have both a legal and moral obligation to be honest and thorough in your explanation of overpricing.
    - c. Trying to have the owner look at their pricing choices through the eyes of purchasers, other agents and an appraiser as well as their own eyes.
  - b. Overpricing and unmotivated owner –
    - a. Is the owner truly unmotivated or simply putting on a façade?
    - b. Explaining why overpricing and waiting could possibly cost them due to changing market conditions and/or opportunities.
  - c. Overpricing and the motivated owner.
    - a. Motivated owners will usually listen with more of an open mind due to other real estate goals.
    - b. Suggest they obtain a pre-listing bank appraisal is often a smart and eye opening investment in time and money.
  - d. Underpricing – Must have the knowledge and approval of the owners.
    - a. In rare cases, an owner wants to purposely underprice a home in order to have it sell quickly. Full disclosure of current values must be made to the owner.
  - e. Pricing and your obligations under the Law of Agency.
    - a. Whether the relationship is as a “facilitator”, like an open listing or as a bilateral, written agency agreement; i.e. an exclusive right to sell or exclusive agency discussion of pricing should always be fact based and truthful.
- 
- 
- 
- II. HOW DOES RAPPORT AND REPUTATION AFFECT YOUR INFLUENCE WITH THE OWNER TO ACCEPT A MARKET VALUE PRICE?**
- a. Your listing presentation and when to present a price suggestion.
    - a. Gathering all the owner information prior to making price suggestions as owner motivations and timelines can somewhat alter your suggestions.
  - b. Winning rapport strategies to gain their trust and confidence. A fiduciary relationship.
    - a. Like.....Listen.....Believe.....Buy. In order to believe your price suggestions, you must develop a relationship based on trust and confidence in you and your abilities.
  - c. Why do agents willingly take overpriced listings?

- a. Not all agents have the same experience level nor skill level to handle listing concerns and objections., thus take overpriced listings rather than walk away from a listing,
- d. Why you should never ask them what they want? Instead do this.
  - a. You are there to deliver your best professional opinion based on facts of record, not to accept their price opinion based on their emotional or financial needs/wants.
  - b. NAR code of ethics Standard of Practice 1.3 states. ***“Realtors in an attempting to secure a listing, shall not deliberately mislead an owner as to market value.”***
- e. How does correct pricing help the owners to make more money?
  - a. They often meet both their best financial and timeline goals through correct pricing from the start.
  - b. Incorrect pricing can often lead to missed opportunities on their buying end.
  - c. Incorrect pricing often leads to lengthy listing periods where market conditions, i.e. mortgage rates can change.

---



---



---



---

**III. YOUR COMPARATIVE MARKET ANALYSIS – A MORE IMPORTANT TOOL THAN YOU MIGHT THINK.**

- a. It is a tool for you but it is proof to the owner.
  - a. The owner needs to know that your best pricing suggestions are based on facts of record and their personal motivations, not just an arbitrary guess on your part.
- b. Are all CMA’s alike? Not necessarily.
  - a. Software variations, clarity in explanations, misleading or outdated data.
- c. What are the four elements of a complete CMA?
  - a. For sale; Competition
  - b. Sold: Comparables most likely to be used by appraisers.
  - c. Expired Listings; Failed to sell. Usually due to the price.
  - d. Current and changing market conditions, often allow for variables in pricing.
- d. Interpreting the data on your CMA for the owners.
  - a. Needs to be delivered in terms understandable to each owner.
  - b. Data needs to help the owners better understand how to reach their real estate and financial goals.
  - c. Asking the owners if they understand the data, do they have any questions regarding the data and do they accept the facts.

- e. Presenting the CMA so they understand what your data says.
  - a. For sale; Buyers will be seeing and comparing your property to similar ones on the market before making a buying decision.
  - b. Sold; shows what buyers are willing to pay for a similar property in their area at this particular time.
  - c. Expired Listings; shows generally what buyers are not willing to pay for similar properties in their area at this particular time.
  - d. Market conditions; Is the market currently appreciating, depreciating, or stagnant? Are there economic factors that may affect the supply and demand in the near future?

---

---

---

---

**IV. FACING PRICE RESISTANCE FROM THE OWNERS.**

- a. Always go back to the owner's motivations to move.
  - a. Their particular needs/wants do not affect market conditions nor accurate pricing. Give hypotheticals if they do not sell their property in a timely fashion.
  - b. You can show the number of expired listings in your MLS over the past year as an indicator of people who overpriced because they wanted more.
- b. Refer back to facts of record.
- c. Pricing objections/concerns.
  - a. *"Another broker told me I could sell for more."*
    - i. Without disparaging the other agent, question their CMA, did they even have one, the other agent's experience, credentials and track record compared to yours.
    - ii. Did the other agent actually say they could sell it for more or that they would be willing to list it for more?

- b. *“Can’t we try it higher first and then come down later?”*
  - i. Explain the dangers and pitfalls of doing this and the message that buyers and buyer brokers often get from this as an indicator of desperation or anxiousness, thus weakening their negotiating position.
- c. *“I don’t care what your CMA says, I think it is worth more.”*
  - i. Explaining that you have no personal reason to have them sell for less than market value.
  - ii. Explain that the CMA is a guideline to pricing and the only thing that truly matters is what a buyer would be willing to pay and if their appraiser thinks it is worth the investment.
  - iii. *“Making an investment into an independent pre-listing appraisal can often clarify and confirm in their minds that you have the best interests at heart and that your information is accurate and up to date.”*

---

---

---

---

---

---

Joe Meyer Presentations, Inc.  
1055 Stewart Avenue 2<sup>nd</sup> floor suite 2A  
Bethpage, New York 11714  
1-888-214-9566  
www.joemeyer.com  
info@joemeyer.com