GENSTONE
REALTY

# GenStone Marketing Presentation Workshop Summary

## Marketing Presentation Preparation

*There are three slides near the beginning for the associate to customize. On the first slide, change the photo to the subject property, and add the property address and the owners' names. Next, add your name and insert your image.*

*For slide 4 -- Add your photo and some text about you to help the owner feel good about selecting you to get it sold.*

*For slide 6 -- Change the image to the photo of the property.*

*For slide 18 – Add your photo*

## Marketing Vocabulary with Owners that Sets GenStone Associates Apart

When discussing marketing properties with homeowners, certain words set us apart from other companies' agents. The suggested words below convey different and better thoughts in owners' minds and emotions than the traditionally used ones. These words are a significant part of our Marketing Presentation. Use them in all our conversations with owners and buyers when appropriate.

***Marketing a property*** vs. Listing a home/house

***Property*** vs. House/Condo/Townhouse

***Owner*** vs. Seller

***Initial market/price position*** vs. asking price

***Repositioning*** vs. price reduction

***Buyer Pool vs. buyers***

***Recent Market Data & Sales History report*** vs. Competitive Market Analysis (CMA)

***Properties on the Market and not selling*** vs. active listings *(Active on MLS for more than 30 days)*

**GenStone Marketing Plan for Owners** vs. Pre-listing packet

## Step One -- Property Preview and Marketing Plan for Owners

The two-step method is ideal for working with owners who are considering selling the property. First, preview the property's interior and exterior to know its size, layout, rooms, and condition. Take photos and sufficient written or dictated notes. That information is critical to your comparison to other properties for price evaluation. Without the exact comparison, it is challenging to present the owner with similar properties for your Market Data & Sales History report when it comes time for the owner to decide on the proper price

position. It may also allow you to learn about the owners' reasons and timing. During the preview, establish your relationship with the owners by noticing things to inquire about to get them to talk about themselves.

It is advantageous in the first step to give, email, or mail the owner a packet of information to review in advance of the final presentation. It includes more detailed information about GenStone Realty and you. In addition, with information about how the real estate market works and how buyers think and act, owners can be more prepared when assessing the Market Data & Sales History report provided in the second step.

A recommended GenStone Marketing Plan for Owners is available for your customization in BackAgent.

After your preview, be sure to secure a specific, definite appointment with the owners for the next step, the formal presentation, and the determination by the owners of the initial price position.

## Step Two – Formal Presentation and Determination of the Initial Price Position

Step One lets you know the property and the owners and establish the relationship, which should help get a positive result. The owners' previous understanding of the company and you, plus some of the Owner Packet concepts, allows you to skip, review briefly, or reinforce some screens in the presentation. The owner wants to know two things – are you the one they trust to get it sold, and what the price should be. However, before reaching the initial price position, be sure the owners understand real estate is a commodity, how the Buyer Pool reacts in the market, and the importance of the first 14 days.

If the presentation had to be a combination of Step One and Two, you need to inspect the property and talk with the owner before sitting at the table. In addition, you probably will need to do some adjusting while reviewing the Market Data & Sales History report.

## Strategy for the GenStone Marketing Presentation

The GenStone marketing presentation differs from most other companies in that it focuses more on educating the owner on how the real estate market works. When owners realize their property is a commodity where buyers decide when and how much to pay, the initial listing price is a more educated decision. Owners need to know how real estate buyers think and act for us to be successful in attracting buyers.

When faced with choosing the correct initial listing price, owners typically want to try a higher price at first. Without educating the owners in advance, when it's time for owners to set the price, other agents must overcome the objection after the owner has settled on "their price." We overcome that tendency by explaining beforehand why that is counter to obtaining the highest price. It's always best to handle common objections in advance. That's what we do in our presentation. For example, owners often ask the listing agent to lower the brokerage fee. It is easier to overcome when owners understand the listing agent is only one of the four entities receiving a share of the fee and doesn't decide for the other three.

A unique aspect of our GenStone marketing is giving owners two additional ways of getting their property sold. Depending on the owners' needs, timing, and financial situation, we provide three options:

1. ***Situation One*** -- The owners want to sell it now, and the property's condition doesn't significantly lower the potential sales price. In that case, we use the traditional method of listing it for the proper initial price position.
2. ***Situation Two*** – The owners' timing allows a less immediate sale. The property would bring a higher sales price with some remodeling as long as the price increase would be more than the anticipated cost. In that situation, GenStone Realty would arrange a remodeling company to do the work, fronting the cost, and recover at closing from the owners' increased proceeds.
3. ***Situation Three*** – The owners are in a financial bind. They are possibly behind on mortgage payments and risk losing the property. In this situation, GenStone Realty would arrange a Guaranteed Offer.

When you learn the owners' needs and situations through your conversations, you can offer the solution that fits. Although most are Situation One, only GenStone Realty has the resolution for all three!

## When Step One Is Not Possible

There are times when you have an appointment to present to the owner before you have the opportunity to do any preparation work. However, it is better to do one or more of the following before sitting down with the owners to do the marketing presentation:

- Have a phone or in-person interview to get information about the owners and their situation
- Obtain a digital photo of the property's exterior
- Prepare and send the GenStone Marketing Plan for Owners
- Conduct an inspection tour of the property interior to assist with preparing for the CMA

## What to Take to the Presentation

- Laptop or tablet loaded with the prepared slides suitable for showing to the owners
- Your prepared *Market Data & Sales History Report*
- Digital or paper listing agreement completed as completely as possible, including the brokerage fee
- State, local, and office required disclosures and agreements

## At the Property

1. As you enter, continue to establish your relationship with the owner(s) by finding out more about them personally and their situation.
2. Unless previously inspected, take a tour of the property, asking questions along the way.
3. Sit at a table either in the kitchen or dining room, in a position enabling them to view your screen. Be sure you are in a position to view all owners simultaneously.
4. Begin with the first slide.

## **Presentation Conversation Guide** *(Text in **bold** is in addition to text on slide)*

*Slide 1:* **Today/tonight, let's discuss the strategy to get your property sold with you and me partnering to obtain the highest price in today's market**.

*Slide 2:* **I am associated with GenStone Realty, and you will see how you will experience the GenStone difference.**

*Slide 3:* **We are a full-service real estate brokerage and not like the average. Our company offers a broad array of mortgage, title, insurance, and even repair and remodeling services when you need them, relocation, and some unique GenStone services.**

*Slide 4:* **As one of their associates, I will assist you in getting this property sold.** *[briefly discuss the information you added to the slide to give owners confidence in you.]*

*Slide 5:* **Most importantly, I am your** consultant and advocate for getting your property sold timely and at the best price in the market. **Here is what we are discussing today:**

- **Your needs, timing, and expectations**
- **Price positioning to generate maximum activity**
- **What we do to market your property**
- **What GenStone services are available to assist you**
- **When an offer comes in, how we negotiate and then manage the details to a successful close**
- **Then, I will explain local market conditions to assist you in the initial price position**

*Slide 6:* **Let's first focus on what you need. For your reasons for moving…** [*If you had previous discussions on this, summarize what you think it is, and then ask if that is correct or if they have anything to add.] If you don't know yet, ask,* **What is your reason for moving at this time?** *[Listen for the answers and take notes if appropriate.]*

- **What is your timing?** *[Listen and ask follow-up questions to learn more if needed.]*
- **What have been your experiences in any prior real estate transactions?** [*You need to know about any negative experiences to reinforce then or later how you will handle them better.]*
- **What are your expectations of me as the one who will get this sold?** *[Again, reinforce then or later how you will fulfill those expectations.]*
- **What are the best ways to communicate with you as we progress, and how often?** *[Take note of media preferred for updates – a phone call, text, email, or combination, and frequency. When new developments occur – showing, offer -- what is the best medium for the owner to give you a quick response?]*

*Slide 7:* **Let's talk about how the residential real estate market works. The first understanding is the fact real estate is a commodity, not a product.** With a product, its seller or manufacturer determines the price to make a profit. Buyers learn of the product through marketing. Based on the seller's price for the value received, buyers buy, or not. Products that do not sell at that price are marked at a clearance price or dropped from the market.

**With a commodity, a buyer determines the value based on their market knowledge.** Commodity prices fluctuate based on market conditions and supply and demand. When buying gold, stocks, or real estate, the buyer's perception of value determines the price they pay. **So, buyers buy when they feel the amount paid is worth the value received for your property. Do you see how that works with the commodity of real estate?**

*Slide 8:* **Commodity markets work on supply and demand.** In an appreciating market, fewer homes are available, and inventory shortage creates buyer competition, causing prices to increase.

More homes are available in a depreciating market, resulting in an oversupply for buyers to choose from, so buyers wait or make lower offers, causing prices to go down. **Currently, we are in a(n) [appreciating/depreciating] market.**

*Slide 9:* **As we approach the market to entice buyers, it's essential to understand how buyers think and act.** The group of buyers who are ready to buy we call the "Buyer Pool." This group remains relatively constant throughout the year. These buyers act when they perceive value for a property on the market.

*Slide 10:* When buyers are aware of a property with a price close to their budget and meeting their needs, they check it out and are motivated to buy when they perceive value. When multiple potential buyers view the property, they usually make higher offers because of the competition to secure it.

*Slide 11:* **Let me explain why the first 14 days of being on the market are critical to attracting the Buyer Pool.** There are two categories in the Buyer Pool. The larger group are the experienced buyers who rejected all the current inventory and wait for new ones to come on the market. When a new one comes available to meet their needs, they act right away. Here are the characteristics of this larger pool of buyers:

- They have been working with an agent for an average of 10 weeks
- They are pre-approved for a mortgage
- They are very familiar with current market prices
- They know of all properties previously on the market
- When they perceive value in a new property, they are ready to make an offer

*Slide 12:* **We focus our initial marketing on the larger group since it has a higher probability of early success. This is because the experienced Buyer Pool responds to new properties' perceived value in their first days on the market.** The smaller category are buyers new to the market:

- They are just starting to look at properties
- They typically evaluate all in their target market
- **They don't yet have a complete understanding of market prices and value**

**Although we get showings from this group, often they are not ready to make an offer. Can you see why our first 14 days are so critical to getting action from the Buyer Pool?**

*Slide 13:* **Interestingly, a property's days on the market influence what a buyer offers.** When buyers find a home that fits and learns it's been on the market for a while, they might wonder "what's wrong with it" and may not even check it out.

**Let me ask you, "*If you were a buyer seeing a property on the market for five days, and the same one after being on for 95 days, would you make a different initial offer to the seller for the 95 days one?*** *[Of course, the owner says, " I would make a lower offer thinking the seller is getting desperate."]*

That's another reason properties usually sell at the highest price in the first days of exposure to the market. **We don't want your property on the market for too many days, losing value in the minds of buyers. Do you see why we need to have everything right initially, especially your market position?**

*Slide 14:* **Another important factor in determining the initial price position is how buyers search for properties that fit their needs and budget.** If there is a property meeting their needs above their price range, buyers are often unaware of it because they do not check higher prices.

For example, if the buyers' budget is $375,000-400,000 when doing a property search on realtor.com or Zillow with a maximum price of $400,000, a home priced at $405,000, way above the eventual appraisal amount of $390,000, would not be found in the property search. **The buyer would be unaware of it. That's one of the unseen dangers of overpricing a property.**

**Another consideration is that even if the buyers did find it and offered full price at $405,000, the sale would most likely fall through when the mortgage company learns of the low appraisal. So the owner has to put the property back on the market, and marketing begins again with more days on the market for buyers to know about. We wouldn't want that to happen, would we?**

*Slide 15:* **We can see how proper price positioning is essential to produce showings leading to a sale.** After we introduce your property to the Buyer Pool, the number of showings indicates if the price position is correct or needs adjusting to achieve buyers' perception of value.

**If it's Overpriced, there are no showings and no offers. When the knowledgeable Buyer Pool notices the new property, there will not be a perception of value. If it's Market Priced, some showings and possible offers below the asking price when there is no competition to increase the offer. If it's Action Priced, it's a hot property with a significant perception of value. There are multiple showings, and multiple offers are often the result, and we handle negotiations to achieve the best offer.**

*Slide 16:* **Let's look at a hypothetical situation that demonstrates what happens when a property is Action Priced.** What would happen if properties in an area were in the $300,000 - $400,00 range, and one similar property came on the market at $250,000? Would that motivate buyers to take some action? **Do you see from this example shows how price compared to value would generate immediate, excited interest?**

*Slide 17:* **When you are just below the price of all other comparable properties, that's Action Pricing.** When your property is competitively price-positioned, buyers fight to make competitive offers. **I am sure you would love a bidding war for your property!**

*Slide 18:* **When it comes to marketing your property, let's see what is most effective and where our focus should be. A study by the National Association of REALTORS® discovered where buyers found the home they purchased. So it's not surprising that almost 50% found it on a website. Then, of course, we get your property's photo and data to all the major and many of the other real estate websites. The next largest group is the real estate agent. I will inform all the other agents in this market through the Multiple Listing Service and personal contact to inform their Buyer Pool. The next group is from yard and directional signs, which I install in the neighborhood, telling neighbors and drive-bys. That covers 84% of the Buyer Pool in this area.** ***Notice that "Directly from the Seller" is 3%.***

*Slide 19:* **Let's review our partnership in getting your property sold – meaning achieving an offer acceptable to you from a buyer. First, you select the best consultant and advocate. Then, we'll review the local Market Data & Sales History report in a minute. It gives you the information to determine the proper price positioning. Then we get started. You prepare your property to show well to be ready for the photography and first showing.**

*Slide 20:* **Here is what I do to bring an acceptable buyer offer. We set in motion our GenStone Marketing Plan:**

- **I arrange for** exterior and interior photography of important selling features
- **I enter property data and photos into MLS to alert all local agents' Buyer Pools**
- The MLS data and photos are sent to all significant real estate online websites
- **I install a** yard sign and directional arrows to alert neighbors and drive-by's
- **I create a** property flyer distributed during showings and to all interested parties
- **I coordinate** showings and handle all inquiries

*Slide 21:* **When we have an acceptable offer from a buyer, I manage and monitor the sale through settlement.**

- **I'll** handle document and disclosure signing by the parties
- **I'll** arrange inspections and mortgage appraisals
- **I'll** monitor contingencies and buyer mortgage approval
- **I'll** monitor the title search by the title company
- **I'll** arrange the final buyer walk-through
- **I'll** be an advocate for you at the closing

*Slide 22:* With GenStone Realty, you'll get an experienced associate who knows the local market and will assist you in pricing it right. You also have access to our custom-tailored marketing plans and remodeling services that will put your home in the best light possible.

*Slide 23:* There are two sides involved in the sale of your property – Marketing and the Sale to the Buyer. On the Marketing side, the GenStone Customized Marketing Plan gives **exposure to all major real estate websites** and the Buyer Pool and their agents. With the full services of GenStone Realty, we manage the process from this beginning to the successful close. Then the company and agent earn a portion of the brokerage fee paid at closing.

On the Sales side, the other portion of the fee is earned by the company and agent for bringing an acceptable buyer to closing after working through all the steps to qualify the buyer and close the sale.

*Slide 24:* **Our next step is to review the Market Data & Sales History report I have prepared so we can discuss the initial market position for your property. We'll examine the current data the Buyer Pool is seeing, including properties currently on the market for less than 30 days *(that's your competition for the Buyer Pool).* We'll also see those on the market, not selling, because they have been on the market for more than 30 days. We'll then look at what buyers paid for properties similar to yours *(showing what buyers are willing to pay).***

**After discussing this data, you will determine the correct initial market position to get action from the Buyer Pool. If we don't see movement in the first 14 days, the initial position needs to be adjusted quickly.**

Pricing your property accurately is the single most critical thing you can do to ensure a successful sale. **Let's go over this Market Data & Sales History report to assist you in doing that.**

*[Review the report with the owner(s). Use the conversation guide from "Create & Present an Effective CMA." Following the Recently Sold section, ask, "**Based on this data, especially the sold properties, where does your property fit?** When you feel the owner is at an acceptable market price, add that to the listing price on the listing agreement.] [Review "Getting the Signature" to learn the conversation to get the listing agreement signed by the owner(s).]*