GENSTONE
REALTY

GenStone Marketing Presentation Conversation Guide

*(**Text in Bold** is what to say in addition to reading or summarizing the text on the slides not in bold)*

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: **GenStone Realty is a full-service real estate brokerage, unlike the average. Our company offers a broad array of services with mortgage, title, insurance, and even repair and remodeling services when you need them, plus relocation services.**

Slide 3: **As one of their associates, I will assist you in getting this property sold.** *[discuss briefly the information you added to the slide to give owners confidence in you.]*

Slide 4: **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 5: **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 so you can 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 6: **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 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 knowledge of the market. 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 for your property, buyers buy when they feel the amount paid is worth the value received. Do you see how that works with the commodity of real estate?**

Slide 7: **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, so buyers wait or make lower offers, causing prices to go down. **Currently, we are in a(n) [appreciating/depreciating] market.**

Slide 8: **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 9: 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 10: **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. Then, 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 11: **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 the 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 12: **Interestingly, the days a property is on the market influence what a buyer offers.** When buyers find a home that fits and learn 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 day 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 at the beginning, especially your market position?**

Slide 13: **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 14: **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. That's because 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 15: **When you are just below the price of all other comparable properties, that's Action Pricing.** When your property is price-positioned competitively, buyers fight to make competitive offers. **I am sure you would love a bidding war for your property!**

Slide 16: **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. Of course, we get your property's photo and data to all the major and many other real estate websites. The next largest group is the real estate agent. That's me, plus all the other agents in this market I will inform 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 only 3%.***

Slide 17: **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. 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 18: **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 create** your property's customized website and video to promote on social media
- **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 19: **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 20: 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 21: **Let me explain how the brokerage fee we will discuss later works.** 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 22: **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 Active on the market for less than 30 days. We'll also see Active properties not selling because they have been on the market for more than 30 days. Then, we'll examine what buyers paid for properties similar to yours, *showing what buyers are willing to pay.***

After discussing this data, you will determine the right initial market position to get action from the Buyer Pool. If we don't see movement in the first 14 days, we'll look to adjust the initial position appropriately.

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 Workshop." 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 Workshop" to learn the conversation to get the listing agreement signed by the owner(s).]*