

## **Training Plan CMA**

*Creating & Presenting Your CMA*

### ❖ **CMA**

- Build the comp list
- Looking at the numbers
  - MLS
  - RealList
  - RPR

### ❖ **Presentation (template): Listing**

- Follow up email (template)
  - next date, time, & location
  - expectations in meeting
  - Links to Nedeau Realtor and sample Property Landing Page
  - Attach Information Packet
- Add specific Information to the subject home
- Add specific information to your potential client
- Write the recommendation

### **CMA vs. PEAR (the latest popular acronym)**

CMA: A Comparable Market Assessment provides a listing agents educated estimate of what a home should be listed for in a current market

PEAR: A Professional Equity Assessment Report is a listing agents educated estimate of what a home should be listed for in a current market as it relates to what is owed on the home.

The good news is that we have always provided our potential sellers with an Estimated Net Seller Sheet that shows closing costs, any money owed on a mortgage or loan, as well as any other fees they may need to pay. It gives them an estimate of what they will receive at the close of the sale – the equity they have in the home. We have been ahead of the curve for years!

### **Building the numbers for your CMA**

The most important part of a CMA is finding good comparable homes to evaluate. The best way to start is to *view the subject home!* Many potential sellers want to know right away what their home is worth. It is good to go

into a pre-listing appointment with an idea of what the market is doing and what the competition is like in that neighborhood. However, best practices for determining price include you previewing the home before you provide your analysis. I think it is best to give your new potential seller a head's up. Let them know that the first appointment will be a time for them to get to know you and for you to get to know their property. (See the Initial appointment: The Pre-List)

Some things to look at when choosing a comp are:

**Location** – Try to stay within a few miles of the home. Under 5 is best.

**Timing** – Use homes that have sold in the last 6 months

**Size** – Make sure you are looking at homes with comparable sq. ft. When a home is purchased by a mortgage, the lender will require an appraisal. Appraisers only use Square Feet Above Grade in their evaluations. Be sure you are choosing homes with similar Above Grade Square Feet.

**Age** – The homes should be similar in age – when they were originally built.

**Lot Size** – The lots should be similar in size. A city lot size of .2 acres is not comparable to a similar home sitting on 10 acres in the country.

**Features** – Do the homes have the same number of bedrooms and bathrooms, attached garage, basement, etc.

**Condition** – Are the homes similar in condition? A newly updated home with new kitchen and baths, new roof, new furnace is not a comparable to a home that has not been maintained or updated in several years, or in some cases, decades.

**Amenities** – Waterfront, pool, underground sprinkling - what are some of the upgrades or additions that may affect the pricing.

Your best source for finding comparable homes is our MLS. You can also use information from other sources like RealList which will provide some comps as well as RPR. FSBO information can be found on other websites as well. These are good ways to learn more about the market.

Obviously, in some areas, during some times of the year, or a crazy fluctuation in the market, finding enough comparable homes with all the above similarities isn't an option - or you may find too many! Adjusting any of the items is appropriate. I usually expand (or shorten) my time frame as a first

step. From there it is just evaluating the homes and finding the best possible options.

After you have determined your list price, or listing range, it is time to create the presentation packet. (In your Pre-List appointment, you will have set a time for the next meeting to present this information.)

Our CMA has several components to it. It is a time to provide them with not only the listing information, but also with specific marketing plans, estimated net income, getting ready for showings, and next steps.

Our full CMA Packet is about 22 pages long. It should be customized to suit the needs of your prospect! Some people will need the whole packet, they have not sold in a long time, they do not know our office well, they seem confused on the process – whatever the reason. Others may not need everything because they have worked with you on many projects, they buy and sell often... You get the idea.

The important aspects of what to keep or delete are determined by the relationship you have with your prospect.

## **The Packet**

**Introduction:** to the office, to you and why they should choose us

**Preparation:** for them, of the home, and on our responsibilities

**Positioning:** where does their home fit in the current market, what is the target audience and what are the marketing tools we can use to reach them. This is an area that should be customized for them and their home as much as possible.

**Pricing:** recent sales, current actives, market numbers,

**Recommendation:** Comparable home narrative with description of search and data analysis, listing price or range, estimated net outcome (money in their pocket)

**Recap:** *SPECIFIC* but brief statements of information detailing the following:

- **price** and why it was chosen
- **competition** and what makes their home stand out
- **conditions** recap what you decided in a previous getting ready discussion to make their home stand out

- **marketing strategy** detail specific stand out options or tools you will use
- **timing** when their launch day is and why it is positive
- **time on the market** estimate how long you think it will be listed based on price, timing, and market conditions.

This is all followed by the data. Add the listing sheets for comparable homes and current competition, along with any other data you think you should add.

At the end is a Team page with all our agents' information. Remember, our office is a traditional agency office. We all work for our sellers and buyers. If they need something right away and you are not reachable (which never happens, right?), they can reach someone at our office. You may already have a pre-determined person to help in an upcoming vacation, or team members - have them highlighted.

#### **Presentation tips:**

- Use your gut to determine how much time to spend on each area.
- Try not to read to them, summarize when appropriate
- Give them time to ask questions
- Speak a little slower than normal – it is a lot of information to comprehend!