



The Rise Realty Group Price Reduction System

We have entered a shifting market, a normalizing market, a retracting market.

We have to dive deep into motivation, and their why, and their willingness to reduce their price in finite time intervals if there is not accepted offer.

We simply cannot take an overpriced listing without a price reduction written in.

I would venture to guess more than half of the inventory is overpriced, as a by product of high interest rates and what they need to afford “next”, whatever next is

Our desire to list a home must not exceed their willingness to sell. We have to hold the line, and be willing to walk away from the unmotivated, unrealistic seller.

There is a chasm between what a buyer is feeling and what a seller is feeling. For example...a seller may not have heard that the market has changed, and a buyer is thinking the sky is falling and they can get a deal and or they are gunshy. The buyers see days on market increasing and inventory sitting. Our job is to bridge the gap through education and frank discussions, both sides of the aisle. People deserve our honesty. That is not to imply anyone is being dishonest, just that, we need to do better.

Our job is to take saleable listings that sell, not collect expired listings. Our job is to have hard conversations and have them quickly.

We have to walk the fine line between salesmanship...getting the signature...and being frank and honest about where we are from prequalification, confirmation of the listing appt, and the listing presentation. We are hired to tell the truth.

We have to make enough prospecting calls to compensate for the unmotivated or unwilling. Truly, we need to speak with 30-50% more daily contacts to maintain and or grow than we did just a few short years ago. Activity must increase to find reason. We must watch that we are only spending time on lead generation activities and not “servicing” our listings and clients, with



things that the admin team can handle. Our job is to hunt, and nurture, but not fool ourselves into thinking that certain things are important that aren't.

We must tell ourselves that people want and deserve FRANK conversations. Are you reading me loud and clear? Frank.

A few thoughts before we dive in.

1. If you don't have listings, then you don't have to listen to this training :)
2. If you don't have listings, you should not go home each day until you find one.
3. Price the listings right to start with :) Know the market!
4. Understand more sales and more happy people means a larger COI and a larger databank. Connects equal checks.
5. Understand that we are hired to have tough conversations, ego free, with buyers and sellers.
6. It's funny how in today's market, even a smallish price reduction, will cause an offer to come. For instance, it was \$750,000, reduced to \$725,000....will cause an offer to come, but why couldn't a buyer just offer \$725k when it was at 750k.
 - a. Agent input
 - b. Stale listing
 - c. Don't think a seller would take that
 - d. Better options, competition.
7. Come up with good content weekly to go over with the sellers. If you set the expectation, follow through. Good content is non salesy data driven stuff that you actually show them.

In the past 4-5 years egos have been OFF THE CHARTS.

It is time to replace ego and fear with skills and confidence. Put a plan or system in action and stick to it.

What I am doing differently now in this market.

1. Setting realistic expectations at the listing appt. You cannot sell yourself and how good you are at the listing appointment, and then not perform or disappear for a month, and your first call to the seller is for a price reduction. . I am going over the following.
 - a. The inventory level now, vs the inventory level in March/Peak.
 - b. The days on market now, the days on market then.
 - c. The average price adjustment now, vs then, and also telling them...across the board the average reduction is 50k, and the home is still not sold.
 - d. The fact that affordability is at an all time low, rates are up, buyer confidence is down.
 - e. Buyers are feeling like if they wait, they can get a better deal.
 - f. That if they are not receiving 3-5 showings a week, and it used to be 15-20, and you don't have 1 offer in 14 days (or whatever it is in your market), then the buyers are rejecting your price.
 - g. The longer it sits on the market, the less you will likely receive for an offer.
 - h. Hoping and waiting is not in our marketing plan nor should it be in yours
 - i. I am framing it as if I will be calling them for a reduction. It's a balancing act for sure, a cross between if you are so good why can't you sell it for this price, and being honest.

2. How does communication to sellers change?
 - a. I communicate once per week via a video link to youtube via text from Brivity or my personal cell, with a recorded video message introducing the video i want to watch. I use their name and mention something so it's personal.
 - b. I show the actual mls, I record my screen, and give commentary on dom, price reductions, inventory levels, and compare pre-shift numbers.
 - c. They cannot argue with it, although some will.
 - d. You absolutely must show them what you are doing to market their home. We are updating them through a Brivity marketing plan, sending them showingtime listing reports, and having the listing coordinator get feedback, or they will blame you for no showings/offers.
 - e. You have to tell them upfront what stubborn sellers look like..for example...sellers say the darndest things. When they get 5 feedback reports, and

all of them say they are overpriced, they ask me if I advertise in some off-brand newspaper or magazine...

- f. You have to continually remind them of their why/motivation and constantly ask them what their motivation level is on a scale of 1-10.
 - g. Area Pro Insight (show)
3. Find the X
- a. Do you want to lose a little now, or alot down the road?
 - b. The x is _____ showings in _____ time and an offer in _____ days
 - c. Explain the x has nothing to do with what they need or want, it has to do with what price a buyer feels compelled to write and offer. And X could be 10% lower next year if you want to take it offer the market.
 - d. X is the real number of a home
 - e. It does not matter what the seller wants and needs. No buyer is going to forego their dream, to help the sellers get their dream price.

Feedback has never been more important. Make sure you get it for every showing. We use showingtime and a VA if they ignore it. What you are saying can oftentimes be corroborated with feedback.

There are two kinds of feedback:

1. You need to watch and pounce of feedback opportunities
2. Agent feedback from showings ...then decide based on how we are doing.
3. No showings, is also a feedback - that we missed the mark big time.
4. You have ____ number of showings each week and you should have had this many, and this many offers. Based on this I believe you should improve your price by_____.
5. Here are the homes that have sold INSTEAD of yours, What is the market telling us?



6. The seller will always start to blame the agent...not their price, and try to have you do insane things like put the home in some obscure magazine, or do an open house lol. There are lots of things that don't sell houses, lets not fall prey to any of those things.
7. I am going to set you up to receive weekly market reports and feedback reports. I NEED YOU TO PAY CLOSE ATTENTION TO THOSE...it will tell you which way the market is heading and what is selling instead of yours.