

Pricing 101: A Lesson For You And Your Seller

by

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Over the last four years I estimate that I have logged over 700,000 miles doing trainings, seminars and coaching. My time has been split between leadership training and helping agents increase their productivity.

One thing rings true across the country...Our inability to price listings competitively. This is not an opinion. It's a cold, hard fact. Forty-eight percent of all listings agents take expire. In this new "down" market some cities are at 75%.

It amazes me that agents do not understand the consequences of non-competitive listings. Let me name a few:

- No one in that neighborhood will ever list with you. Sellers will pay for results. You didn't get one.
- All of the seller's friends, co-workers, and family will never use you either as the seller is blaming you for their misfortune.
- If the listing was a referral then it spreads like a disease throughout your database and you wonder why you aren't getting any more referrals!

My favorite answer is "at least I get sign calls." At what expense? You, your office and your brand getting thrown under the bus? Brokers and managers are complicit with the agent. Seems the broker is not in tune with how many irritated sellers and how much ill will is created. Now they wonder why their company is in trouble in the bad times.

Your solution is simple. Never take an overpriced listing again. Make sure you price it within the competing house to include new construction. Quit using the CMA program that base pricing on sold properties. This telegraphs incompetence. How many sold properties did your last buyer view before they made their buying decision? That's right...none.

One last commitment I would like to see you make: Quit attending training that just focuses on you making more money. Try attending training that makes you a more competent agent. That is an agent I would list with. By the way, once you become a real estate practitioner you don't have to worry

about the money and your clients love you. If that doesn't appeal to you then do us a favor...try insurance.

Rich Casto is Founder of Rich Casto & Company, The Real Estate Coaches, The Leading Management and Recruiting Solutions Experts. © 2008, Rich Casto. All rights reserved.