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**New technology creates data that are tough to refute**

*Friday, February 01, 2008*

[By Bernice Ross](#)  
[Inman News](#)



Persuading sellers to be realistic is a consistent challenge for any real estate agent, especially in a slowing or a declining market. Recent technological innovations make this much easier than ever before.

In [previous columns](#), I have discussed how to use rate-of-absorption numbers to help sellers be more realistic about the probability of selling their home. For example, if there are eight months of inventory on the market, the probability that a seller will sell in any given month is 12.5 percent. The



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[could be fixed](#)' (Feb. 4)

**Dear Editor:**

In watching the video with Jessica and John Vogel, I wondered if it might be possible to develop a mortgage product that allowed a foreclosed home's future equity to be shared between the lender and homeowner.

This product would be made eligible only to certain groups of buyers, such as veterans, teachers, firefighters, police and legal immigrants.

These buyers would be able to buy the foreclosed home at 50 percent or 60 percent of the appraised value, and perhaps pay an extra half-point or so in interest on a 30-year fixed-rate mortgage with certain prepayment penalties.

Not being an economist or mortgage lender, I have no idea whether this idea has any

probability that the seller will not sell is 87.5 percent. Consequently, sellers who want to place their properties under contract must position their property in the marketplace where they will be in the best 12.5 percent in terms of value, which is a combination of condition and price. If not, their listing will sit on the market until it expires or until they lower their price sufficiently to motivate a buyer to purchase it.

One of the tried and true strategies from the past was created by the late Lee Coats who wrote much of the training for Coldwell Banker. Lee invented the "pricing line." If you haven't worked with this approach, it's extremely effective. The system is fairly simple. Imagine a page with three different charts that resemble rulers marked in 1/4-inch segments. The top chart has the "recently sold" properties. Record each property that has sold on this pricing line. On the second chart, record the properties that are currently for sale. Finally, on the third chart you record the properties that did not sell. The sellers can quickly see the range of the most recent sales, what the current competition is, as well as how much higher priced the expired listings were as compared to those listings that sold. When you show the seller the listings that are currently available, the closing question is, "Where do you want to be in line?" When properties have comparable amenities, it's easy to demonstrate that the lower-priced listings usually sell more quickly.

A company called [ScatterGramPricing.com](#) has now automated the pricing-line process. Agents simply enter the sales data and the computer generates the charts. The company also offers a true scattergram (a graph that allows you to plot the relationship between two different variables as a straight line.) While there are a number of statistical programs that do this, this particular program is designed specifically for the real estate industry. Agents enter the data and the computer does the rest. The most relevant chart to plot is the relationship between square footage and price. This is another way to help sellers be more realistic about pricing because you can visually demonstrate where their property falls as compared to the competition. Typically, the lower the price per square foot that a property is, the more quickly it will sell.

A third approach in helping sellers to be more realistic works best after you have taken the listing. This approach involves tracking how many visitors or hits that you are receiving from various Web sites where your listing appears. Until recently these data were expensive and hard to obtain. Now [Point2Agent](#) provides this as part of its suite of Web site products at no charge. Agents fill out a brief form and the Point2 software generates a template Web site. Once agents create the site, they can upload their listings. From there, they have the option of syndicating their listings to more than 30 different sites, including [GoogleBase](#), [Yahoo Classifieds](#), [Trulia](#), [craigslist](#) and a host of others. The great news is that this system then tracks the number of visitors that each listing receives from each of the sites where the listing is syndicated.

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merit, but it may be a way of dealing with much of the surplus of inventory homes that has to be dealt with before this market can normalize.

Ralph Hudson  
American Builders  
Network  
Winter Park, Fla.

Re: '[Continuing education: Is it relevant?](#)' (Feb. 4)

**Dear Editor:**

I can respect the Rookie's opinion of sitting through irrelevant topics just to accrue continuing education hours. But, coming from New Jersey where CE is not required, I say at least your agents know how to measure a room. It can be very frustrating for an agent who has to be opposite an agent who hangs his license on his broker's wall only to do an occasional transaction over several years.

There are agents who don't know what a buyer's agent is, nor

When sellers are being unrealistic about their price, it's extremely powerful to print out the charts that show exactly how much traffic has come from each site. It's common for a listing to be viewed hundreds if not thousands of times from exposure on so many sites.

Whether or not you elect to use Point2, placing your listing on craigslist.com may be the most important marketing step that you can take to reach today's Web consumer. Anecdotal reports from numerous blogs indicate that consumers are finding and purchasing homes that are posted on craigslist. The traffic reports from Point2 (their tool tracks how many hits their Web sites receive from craigslist.com) and from [RealEstateShows.com](#) confirm these anecdotal reports. The traffic from craigslist dwarfs the amount of traffic coming from other sites.

If you want to realistically price your listings, the rate of absorption, pricing line and scattergrams are excellent visual aids. If you're are in need of a price reduction, posting your listing on Point2 and then monitoring the traffic provides you with a strong piece of data that the seller will have a hard time refuting. When a listing has been viewed more than 1,000 times on the Web and there have been no offers, it's a pretty safe bet that the price needs to be reduced.

*Bernice Ross, national speaker and CEO of Realestatecoach.com, is the author of "Waging War on Real Estate's Discounters" and "Who's the Best Person to Sell My House?" Both are available [online](#). She can be reached at [bernice@realestatecoach.com](mailto:bernice@realestatecoach.com) or visit her blog at [www.LuxuryClues.com](http://www.LuxuryClues.com).*

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***What's your opinion? Send your Letter to the Editor to [opinion@inman.com](mailto:opinion@inman.com).***

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