

Setting the Expectation Conversation Once the Listing is Signed

We all know that sellers hear what they want to hear and believe what they want to believe when it comes to how market conditions will impact the sale of their home. They believe their home is special and people will be knocking on the door with full price offers within days of hitting the market.

When that doesn't happen who do they blame? The agent, of course!

In our joy of having taken a new listing, we are often overly reassuring and optimistic when they ask: **"Do you think this is a good price, do you think it will sell for this price and sell quickly?"**

"Mr. and Mrs. Seller, I feel we made a careful and mindful decision as we selected the list price of the property, and I want to assure you that I will fight to extract every possible penny from the sale for you. However, I cannot promise you that the home will sell for this price because the real estate market is a lot like the stock market, it goes up and down and is very unpredictable. So while I cannot promise you that the market will accept our price, what I can promise you is that I will do my best and I will keep you well informed of the progress every step of the way!"

Be careful, they will not forget what you say and it will be used against you in the future if you discover that it's not the right price and the market is not responding.

Once the listing is signed and back in your hand, spend another 10-20 minutes in the setting-the-expectation conversation. This could be one of the most important segments of your appointment, so don't skip it!

"Mr. and Mrs. Seller, I am delighted to have the opportunity to represent you in the sale of your home. And I want to assure you that I will leave no stone unturned to find our perfect buyer. I have every reason to sell the property for the highest price possible because then I make more and you are happier!"

"Now though, that we are business partners, I would like to have a confidential conversation with you."

"Because we have all the data in front of us, now is a perfect time to strategize together to create a game plan of what we will do if the market doesn't respond to our price."

“I know that you may not be in a hurry, however I do want to be sure you are aware of the fact that all agents and buyers can see our days on market and if the home doesn’t sell reasonably quick, they will use the high number of days on market to rule us out or to justify making a lower offer.”

“This is why I will be carefully tracking the market response over the next two weeks and reporting back to you. If we see the market is rejecting our price, then we will want to make a decision to adjust the price within 2 weeks to 21 days.”

“Again, confidentially, can you share with me what price adjustment you feel you would be willing to make at that time if the market doesn’t respond?”

The goal is to get a lower number in their mind and on the table, and even potentially to get the first price adjustment in writing to make it easy to move forward with it when the time comes.

If they won’t give you a number, it’s still okay because at least you have opened the door to the discussion.

Caution: If you are doing net sheets for them, do not under any circumstance do a net sheet at the listing price. Instead, suggest that it might be best if you do one at what could be the worst case scenario, the lowest potential price a buyer might come in at, knowing that while that’s not a number they would accept it will at least provide a baseline to start at when calculating a counter offer number.

Also in this setting-the-expectation conversation, you want to be sure to let them know how and how often you will be communicating with them. They will be happier and easier to deal with if there is a plan they can depend on.

Be sure to under promise and over deliver, not the other way around. Keep your commitments and be patient, this is a very stressful time for them. The more often they hear from you, the more cooperative and calm they are likely to be.

Also, because negotiations in the coming months or years may be a bit more challenging, you may want to set up the expectation that when there is an offer to review, they come to your office, giving you the home court advantage!