

What Is Visual Pricing for Realtors?

Visual Pricing for Realtors, or *Visual Pricing* for short, is a process of accurately pricing and positioning a home for sale and then putting it all together into a powerful presentation. I want to emphasize that this is a process. This is not a simple “find the answer and you’re done” method of pricing. It is a step-by-step pathway to establishing a pricing strategy. This strategy does more than find the market value of a house. It allows you to position the listing for max competitive impact, take into account neighborhood timing and even anticipate future competition. By taking these factors into account, along with value, you can not only really find an accurate price but also be able to predict the customer’s selling experience—everything from how long it should take to sell their home to how many of their neighbors will move during the same time period.

Visual Pricing is also a way of thinking. As you go through the steps of this process, you are being led on a mental journey. You focus on the property you are pricing, zoom out to the big picture, and then—bit by bit—zoom back in. Eventually you will also look into a crystal ball and zoom past the current time and into the future. This metaphorical zooming in and seer saying is a powerful way of solving problems. It is borrowed from engineering school in many ways. The best way to find the solution to a problem, like pricing a house, is to first define what you’re trying to find (the price of the home). Second, you define what you know and what you don’t know (the house characteristics/location and the price/timing). Third, you relate them to each other (find patterns). Fourth, you add in possible error. This last step is where your analysis of the competition and pricing strategy really come into effect, essentially turning competition and new entrants into our possible-error scenario.

This may sound complicated and extremely time consuming, but once you have finished reading this book, you will be amazed at how simple it is. I am purely

typing this detailed description of why the steps are organized in the way they are so that you know that there is a rhyme to the reason. The steps are put together in the way they are for a purpose.

Visual Pricing is also a way of presenting. The Visual Pricing steps lay out nearly perfectly with something many filmmakers refer to as the “Tarantino Way.” By first focusing on the property we are selling, we start with a glimpse of the end. Then we lead the customers on a journey that starts with a wide camera view of the whole picture. The story progresses as we zoom and focus in on the smaller picture. Then we reach where we started, the house. The story isn’t over though. We take the seller even farther down the road, into the future. By taking the seller on this mental journey, we are able to teach, entertain and connect on a deep level that solves what is often the most difficult factor in pricing strategy. What is that step? I’ll get to that in a moment.

Visual Pricing for Realtors is a six-step process.

Step 1: Know the Subject Property

The subject property refers to the home you are currently analyzing for sale. You must know the key details about the house in order to price it accurately, but more importantly, you need to understand what is *unique* about this property. You must know if the counters are upgraded, if the house sits on a busy street or if the neighborhood allows RV parking. You must be able to really nail down the details that make this house different from every other three-bed, two-bath in its neighborhood. We will be using that info, and **it is essential.**

Step 2: Know the Neighborhood

The neighborhood or area (for those of you who live in communities that don’t use neighborhoods) is the most important feature of a property 70 percent of the time. “Location, location, location,” became a common phrase for a reason.

This step goes deeper, however: You must know how the area/neighborhood acts. What are its habits? Do houses sell only one month out of the year? Do houses sell here if they don't go under contract immediately? Know the patterns, and you'll know the neighborhood.

Step 3: Compare to Recent "Solds"

You may be more familiar with this step. Every Realtor knows how to look at the last six months for comparable homes and adjust for positives and negatives. We elevate this technique to a higher level. No longer is it good enough to guesstimate the adjustments. You will find a pattern here first and then adjust from that baseline.

Step 4: Position with "For Sales" and "Soon-to-be For Sales"

This is where strategy really starts to show its beautiful face. Your goal when pricing a home is to find the ultimate sweet spot. You want the house to sell fast and for the most value. By putting yourself at a competitive advantage, you create a scenario where this is much more likely. This positioning is also proactive because we are going to look at the competition that is coming down the road.

Step 5: Connect Everything Together

In this step, we are taking all the previous steps and tying them together so that their relationship, the give and take, combine to create the complete pricing strategy. Only by looking at all the patterns can we find a combining point that is our final pricing strategy. Larry Kendall, founder of Ninja Selling, likes to make the comparison between using the Visual Pricing Process and an MRI. Actually, sometimes he refers to it as a Real Estate MRI. You look at different slices, but only by putting it all together do you see the complete picture.

Step 6: SECRET

I'm keeping this step a secret for now. This is the step that has become an invaluable tool for many Realtors. I am choosing not to tell you what the secret

step is at this moment because I want you to read and understand the other steps first. This final step is the cherry on top of your pricing-strategy sundae. It is what wraps it all together, the ribbon on your present. Do not skip ahead and cheat yourself of the full impact of this step. A cherry or ribbon by itself makes less sense and impact than when it is combined with the right pieces. Wait for it and you will better understand why this step is *so important*.