

## INSTRUCTIONS FOR COMPLETING THE LISTINGS ON HAND REPORT

The Listings on Hand Report (aka: The Active Listings in Inventory Report) is undoubtedly one of the most important tools ever created by Real Estate Champions. This report will literally, at a glance, tell an Agent (and his/her coach) the “relative health” of that Agent’s Active Listing Inventory. By “relative health” we essentially mean the probability of sale for each and every Listing on hand.

Many Agents are focused upon taking as many Listings as they possibly can. Generally speaking, this is a very poor strategy. A much better strategy would be for an Agent to focus upon taking as many **really saleable Listings as he/she possible can!** The proverbial “bottom line” here is that an unsaleable Listing should never end up in an Agent’s Active Listing Inventory. As an Agent, you must ask yourself, ***If I owned a retail furniture store, would I put inventory on the showroom floor that had absolutely no chance of selling?*** Of course you wouldn’t, not if you were a smart business owner! The same concept applies to our Listing Inventory – if a Listing isn’t saleable, it has no business “on the shelf!”

Finally, having a lot of Listings in Inventory can cause an Agent to fall into a false sense of security. If an Agent has a large Active Listing Inventory, and most of that inventory is unsaleable, that Agent will eventually experience challenges with cash flow. “Hoping against Hope,” that our Listings will sell is not going to change the outcome, if most of those Listing are not saleable in the first place. By using The Listings on Hand Report, an Agent (and his/her coach) will be in a

position of always knowing just where that Listing Inventory stands from a salability standpoint. Using this report to effectively manage Active Listing Inventory is especially important during a slowing Seller's Market. In a "soft" marketplace, this ability to effectively manage Listing Inventory can literally determine the level of commission earnings that will be achieved for that Agent the entire year!

### **Completing The Report:**

Completing The Listings on Hand Report is a relatively simple matter, as just about all of the required information is readily available. Again, once completed, it will give an "at a glance" snapshot of the relative health (i.e. probability of sale for each listing) in an Agent's Active Listing Inventory.

### **The Columns on the Report are as follows:**

- **Identification** simply identifies The Listing by The Sellers' last name or the Street Name.
- **Motivation Level** is an very critical column. On a scale of 1-10, with 1 being no motivation and 10 being extremely motivated, where does each Seller fall? Too many Sellers with no motivation or even moderate motivation can create enormous problems for an Agent.
- **Date Listed** is the "start date" on The Listing Contract.
- **Date to Expire** is the "expiration date" on The Listing Contract.
- **Listing Price** is the current Listed Price.
- **BMSP** stands for "**BIG MONEY SALES PRICE.**" BMSP is where "the rubber meets the road" in Active Listing Inventory. When deciding what to place in this column, an Agent should ask himself/herself the following question: *If I had to bet Big Money (my own money), what price will guarantee a sale? Remember you are betting big money anyway with your advertising, marketing, staff time and your time.*

➤ **60-day Selling Probability** is the percentage probability from 0% to 100% that The Listing will sell at its current price, within the next 60 days.

➤ **% Overpriced** is the percentage that the particular Listing is overpriced when the current listed price is compared with The BMSP. For example, if the current listed price of a property is \$289,900.00 and The BMSP is determined to be \$265,000.00, that property is overpriced by about 8.5%. The calculation would be as follows:

**\$289,900.00 Current Sale Price - \$265,000.00 BMSP = \$24,900.00 Amount Overpriced**

**\$24,900.00 Amount Overpriced divided by \$289,900.00 Current Sale Price = 8.5%**

➤ **Final Sales Price** is simply that price for which the property ultimately sells. This column is important because it will disclose to an Agent whether he/she priced the property properly when it was first listed.

➤ **DOM** stands for Days on Market. You want to take the average days on the market off the market trends report for the price point that this listing is in. If the Days on Market for a particular Listing is in excess of the Average Days on Market for other similar properties in the marketplace, it will reveal that The Agent didn't "list is right to begin with."

Knowing how to complete and use The Listing on Hand Report is an important skill that every Agent should develop. It will not only separate you from your competition, it will make you much more effective when working with Sellers, especially in the area of obtaining price reductions. And "being effective" is another way of saying making more and faster commission dollars.

Again, if you need assistance filling out and interpreting the report, dialog with your coach.