

# The Marketability Evaluation Checklist

By George Smith & David Compton

Here is a checklist to evaluate the salability of properties. It will help you in establishing your own personal standards in taking listings, and establishing the primary responsibility with the seller. There are twenty points and each should be **rated from one to five, with five being the best**. It will also give you another tool to handout to prospective sellers.

1. List price is below market \_\_\_\_\_.  
Base rating on how much the list price is below market. For example, if it is more than 10% below market price in the area, that might rate a five. If it is between 7% and 10% below, it might rate as a four, and between 5% and 7%, it might be a three, etc.
2. Attractive financing is available \_\_\_\_\_.  
If lenders are offering attractive financing programs, then the salability of the property is greatly enhanced. If financing becomes tight, then what type of options might the seller offer the buyer?
3. Post-dated price reduction \_\_\_\_\_.  
Sometimes, if you take a listing that is testing the market above the realistic market value, this could be a mitigating factor. Your rating would also be based on how long the post date is and the amount by which the price would be adjusted.
4. Odd (Attention-Getting) list price \_\_\_\_\_.  
While this won't necessarily make or break a sale, an odd price like \$489,888 will attract more attention to the property.
5. Customized marketing plan designed by agent and agreed to by seller \_\_\_\_\_.  
This is probably the single most important part of your role in establishing the salability of the property.
6. Full-term listing agreement \_\_\_\_\_.  
This is always relative to the average days on the market and the rate of absorption. Generally, you want your listing term to be at least two-thirds of the rate of absorption in your area. Thus, if the rate of absorption in the market is nine months, you would want your listing term to be at least six months to give you adequate time to implement your marketing plan for them.
7. Attractive commission rate offered \_\_\_\_\_.  
An attractive commission rate gives you the incentive to work more diligently to get their property sold and allows room to offer an attractive commission to selling agents.
8. Easy access for showing \_\_\_\_\_.  
Is the property available on lock box? If the sellers are too restrictive, this will significantly impede the marketability of the property. Also, do the sellers understand the need to give the buyers the run of the property and to stay out of their way while the property is being shown?
9. Yard sign \_\_\_\_\_.  
This may seem relatively insignificant, but N.A.R. reports that 17% of buyers come from calls generated by yard signs.

10. Seller to provide redecorating allowance \_\_\_\_\_.  
A carpeting or wall-covering allowance will make the property more attractive to the buyer and enable them to choose how they want the home redecorated.
11. Immediate possession \_\_\_\_\_.  
In most cases, the sooner that a buyer can move in, the more inclined they are to buy it.
12. Extra amenities included \_\_\_\_\_.  
The home may be more attractive to buyers if the seller is willing to include fireplace equipment, wall systems, attractive patio furnishings, etc.
13. Pre-Home Inspection Offered \_\_\_\_\_.  
This assures the buyer that the seller wants them to have all the facts about the property.
14. Property Disclosure Statement Offered In Advance \_\_\_\_\_.  
As with the pre-inspection, this assures the buyer they are making a fully informed decision.
15. Pre-Order Appraisal \_\_\_\_\_.  
If the seller is willing to order an appraisal in advance, especially one approved by the lender, this will ensure greater likelihood of the home selling and closing.
16. Home Protection Plan offered by seller \_\_\_\_\_.  
Nine out of ten buyers want a Home Protection Plan (home warranty) on the home they buy. Offering this perk provides even greater assurance of the wisdom of their decision.
17. Avoid contingencies \_\_\_\_\_.  
A property is more salable when a seller is allowed to offer the property free of any conditions that constrain its availability.
18. Property available for first office tour or caravan \_\_\_\_\_.  
The sooner you can get the other agents previewing the property, the sooner the property will be given quality exposure to quality buyers.
19. Seller to complete obvious needed repairs \_\_\_\_\_.  
When a seller offers to complete necessary repairs it removes a big burden from the buyer and makes them feel better about dealing with the seller.
20. Seller Acknowledges Marketability Evaluation \_\_\_\_\_.  
When the seller accepts the conditions of the evaluation, it will make them much more supportive of your efforts. Rate this on a scale of lukewarm or cold (one) to very enthusiastic (five). Have the seller sign the evaluation to solidify their commitment to your efforts, and your commitment to them.

After you have rated each of these factors, add them up. The score will reflect the percentage probability of success of selling the home. Out of a total 100 possible points, a score of 90% (90) or more is a very salable property. A score of 80 to 89 is a salable property; 70 to 79 is relatively salable; 60 to 69 is marginally salable; and 50 to 59 could go either way. We would advise not taking a listing that has a score of less than 50 as that means the property is generally not salable. This is another way for you to evaluate your potential clients. Remember, they're evaluating you, so you should always evaluate them as well.

**George Smith** and **David Compton** are the Sudden Success Team. David Compton is Vice-President and Director of Education. With 22 years as a real estate trainer/speaker, he has trained over 15,000 new real estate agents. Previously he was Director of Education for one of the nation's largest brokerages, Regional

Trainer/Speaker, Senior G.R.I., A.B.R., and C.B.R. Instructor and developed over 200 real estate courses. George Smith is President and CEO, with more than 27 years of experience producing and promoting educational training programs. As General Manager, he was responsible for directing By Referral Only through a period of explosive growth in sales, membership enrollment and staff development, resulting in the company being recognized as one of the leading training institutions for real estate and lending professionals in North America. Practical Resources, 2588 El Camino Real, Suite F-197, Carlsbad, California 92008, Phone: 760-752-1709, Fax: 760-752-3192 For more information, go to [www.practicalresources.net](http://www.practicalresources.net)