Listing Presentation & Matrix CMA

Class objective:

To demonstrate tools agents can use during a listing presentation and show an example of how to create a CMA

1. *The Listing Presentation & Matrix class is an elective class.*
   a. Allow 2 business days for attendance
2. Agents will learn strategies and skills to prepare for a listing presentation
   a. What to bring on a listing presentation
   b. Tips to polish interviewing skills
   c. Review criteria for the subject property
   d. Review criteria for comparable homes
3. Trainer will demonstrate the CMA tools in Matrix
   a. Public records searching
   b. Map searching
   c. Matrix CMA strategies
   d. Examine property listing history
4. Trainer will demonstrate crafting and customizing a CMA in Matrix
   a. CMA
      i. Photos
      ii. Branding
      iii. Data
      iv. Customizing forms to include or exclude in the CMA

The Listing Appointment:

1. Professionalism
   a. Attire
   b. Preparation
   c. Resume items
      i. Sales experience
      ii. Market knowledge
      iii. Research
      iv. Professional referrals
      v. Designations
      vi. Awards / achievements
         1. Brokerage sales
         2. Individual sales
2. Listening skills
   a. Intentional listening takes practice
   b. Example questions

  c. Conversation starters

  d. Identify the goals of the seller

  e. Let the seller brag!

3. Research

  a. Discuss products an agent can utilize for research

  b. Tips for conducting research

    i. Address

    ii. Public records search

    iii. Listing history

    iv. Drive by

  c. What to look for?

    i. Square footage

    ii. Lot size

    iii. Pool information

    iv. Average days on the market

    v. Average price per square footage

    vi. School zones

4. What to bring on the listing appointment

  a. Listing agreement (pen) as determined by the Broker

    i. Transaction Desk

    ii. Forms Simplicity

  b. Net sheet

    i. Explain that an agent should be prepared to demonstrate a basic understanding as to how to complete one

  c. CMA

    i. Matrix

    ii. Cloud

  d. Property Disclosures examples:

    i. HOA

    ii. CDD

    iii. Sellers disclosures

    iv. Lead based paint

5. Hyper-Local Expert

  a. Explain the industry term : "Specific local neighborhood expert"

  b. Demonstrate how Widgets can assist with this endeavor

    i. Market Watch

    ii. Hot Sheets

    iii. My Favorite Searches

    iv. Customize statical reports

CMA in Matrix

1. Introduce the recommended **minimum** criteria as advised by FHA

  a. 3 actives

      b. 3 pending

      c. 3 recent sales

      d. 1 expired / withdrawn

2. More is better: find a good balance

3. Explain the difference between and appraisal and a CMA

      a. Demonstrate the adjustment process

            i. Add value to an inferior comparable

            ii. Reduce value to a superior comparable

            iii. Explain that adjustments will not be made during this class

4. When determining value consider two main factors

      a. Competition

      b. Condition

            i. Can't be determined until the home is visited

5. Variables to consider for a CMA

      a. Location

      b. Size / sf

            i. Ask for a floorplan if available

      c. Condition

      d. Lot size

            i. Ask for a survey

      e. Pool

            i. Special features ie: heated, salt

      f. Bedrooms

      g. Bathrooms

      h. Garage

      i. Community features and amenities

6. Learn the value of updates

      a. Show the kitchen differences (same builder, same street)

7. Learn the value of individual homesite features

      a. Fenced yard vs Conservation

      b. Evaluate the homesite with satellite views

8. Introduce the Subject Property

      a. Trainer specific selection

      b. Choose a home never listed to demo how to start from the very beginning

            i. Choose a higher priced home to attract interest

9. Review support numbers

10. Transition to Matrix Log in

First Stop: Public Records Search & Matrix 360 Examination

1. Open Tax Tab on Matrix homepage select Public Records
   a. Search for the subject property address. Enter the St #, Street Name, & County will find most properties. Enter more information if needed.
   b. View on the Map
   c. What can you determine from the looking at the map?
      i. Physical characteristics of the property location
         1. Interior homesite
         2. Corner lot
         3. Not on water or conservation
   d. Click on the property marker to view quick property information, click **Tax** to view public record information. What can you determine?
      i. Bedrooms
      ii. Bathrooms
      iii. Square footage
      iv. Year built
      v. Acreage
      vi. Estimated Value (AVM): examine it, *use this as a guideline only!*
      vii. Tax amount
      viii. Homestead
      ix. Fireplace
      x. Pool
      xi. Spa
   e. **History** tab: What can you determine?
      i. Mortgage history
      ii. What they paid for the property
      iii. How long have they owned the home?
   f. **Parcel** Map: What can you determine?
      i. Lot sizes
      ii. Neighboring streets
         1. Jot down closest streets to see if they come up in your search for comparables
         2.
   g. **Flood Map** tab:
      i. Flood zones
   h. **Foreclosure** tab: The Foreclosure report includes the most recent foreclosure transaction details *if a property is in any stage of foreclosure* and foreclosure history.

Next up: Matrix Quick Search

1. Search active, pendings and solds in zip code to get a **general overview** of inventory
   a. Demonstrate multiple search options
      i. City

    ii. Subdivision

    iii. Map search

  2. Narrow search based on subject property

    a. As an example: sf range: 2500-3500

      i. 3 properties

        1. Examine them

          a. Subdivision

          b. Pool

Researching the Subject Property and Market

A critical step in completing a CMA is to research the subject property and learn about the key characteristics of the subject property. This will drive the search for comparable properties.

There are several tools available to do this.

1. The property reports in Realist and iMapp show property characteristics such as square footage, bedrooms, bathrooms, garages, if there is a pool, and features of the property.
2. Realist and iMapp also link to their own comparable properties reports (which show comparable sales recorded in the tax records – both MLS and Non-MLS sales).
3. If the subject property is in the MLS, the Market Conditions Report can be accessed ("MC" icon on top of a listing). If the Subject Property is not in the MLS, find the nearest listing to the subject and pull the Market Conditions Report for that listing. The criteria of this report can be modified.
4. This report is a great tool to gauge how the market is changing, as it shows statistics on listings and sales from 3 different time periods: 0-3 months, back, 4-6 months back, and 7-12 months back.
5. If it looks like the market is rapidly increasing or declining, that will dictate how far back we want to search for comparable sales, whether we can expect to find ample expired/active listings, etc.
6. When it comes time to work with a customer to determine a price range, the market conditions will play into this decision.

Searching for Comparable Properties

Below are some items to consider when searching for comps:

- **It's all about value!** Every market is different. As an agent learns their market, they will learn what brings value in that market. For example, for waterfront property, the water frontage may contribute substantially more value than any other feature (such as number of bedrooms, fireplaces, etc.). In some areas, homes with more bedrooms might sell at a premium where in other areas an extra bedroom contributes little to no value.

- **Apples-to-Apples Comparison:** Generally, when searching for comps, initial search criteria should be as similar to the subject property as possible. If there are not a lot

of similar comps found, then the search may have to be broader and adjustments made based on differences. When deciding which criteria to loosen, <u>consider what brings the most value in this market</u>.

- **Similar market area**: Determine an appropriate geographic area for comps. Consider aspects such as water frontage, golf course frontage, gated communities, sidewalks, and trends within a search radius (industrial areas, higher priced areas, etc.).
- **Similar property and amenities**: Lot size, square footage, bedrooms, bathrooms, landscaping, pool type, quality of construction, features (flooring, kitchen, etc.), garage size, etc. What brings value in this area?

- **Time frame**: For active listings, consider how long they have been listed. For sold and expired listings, consider how far back you want to go.

Here are some tips about filling out the search form in Matrix:

1. Which statuses to use? -
   CMAs usually compile Active, Sold, and Expired Listings. Sold listings should carry the most weight, as these transactions closed at that price. Active listings show how competing properties are priced, but there is no guarantee the property will sell for that price. Expired listings are important as they show properties that did not sell at the listed price. When there are limited active listings, pending listings can also be helpful, but keep in mind that we do not know the contract price.

2. How far back to go?
   The market conditions will determine the timeframe we set for our comparable properties. A general default is 6 months for sold properties (0-180 days), as this is a guideline Fannie Mae gives appraisers. However, a more recent comp is always better! In a strong market where prices have appreciated quickly and there are a lot of more recent sales, a shorter timeframe might work better. In a market with very little sales activity or for a very unique property, a longer time frame might be necessary. *(Important note: if an appraiser uses a comp from a longer time period and if the market has changed, the appraiser would need to adjust for the changing market conditions. For example, if a comp sale is 1 year old and the market has appreciated by 10% over the past year, that adjustment would be made.)*

3. How many comps?
   Fannie Mae requires appraisers to identify at least 3 comparable <u>sales</u>. FHA and VA require appraisers to identify at least 3 comparable sales and 2 additional active or pending comps. These might be good guidelines for a CMA. Sometimes, less is more. It is better to find a small handful of comps very similar to the subject than a lot of comps that are not as similar.

4. Property Style – usually we would want to filter out the property style most similar to our subject (with some exceptions).

5. Bedrooms/Bathrooms – When searching for comps, apples-to-apples is always best! However, there may be cases where we need to find some variation in bedroom

and bathrooms and perhaps make an adjustment. Or, in certain markets, there might not be a substantial difference in what 3-bedroom versus 4-bedroom homes are selling for, etc. As agents continually learn their markets, these decisions become easier. As a general rule, do not choose comps with a variation of more than 1 bedroom.

6. Heated Square Feet – Fannie Mae guidelines encourage appraisers to stay within a 20% differential for most properties. This might be a good guideline for CMAs, but the more similar the better.

7. Other features? - For this market, decide if comps should be filtered for features such as garage, pool, etc., or if adjustments should be made for these features.

8. Geography – the more similar the location to the subject property, the better. Comps from the same subdivision are ideal, but in many cases, there may not be enough.

9. While most appraisal guidelines prefer comps from the same zip code, often- times, zip code alone will be too broad a filter.

10. Map searches work very well for CMAs. A radius search can be used (generally, in urban areas .5 miles is a good distance, 1 mile for suburban, and 5 miles for rural). A polygon search can also be used as oftentimes appraisers define neighborhood boundaries by certain streets and landmarks. Remember – it is all about the specific market and what brings value!

Once you have the results, check off the comparable listings you want to use, and then note the buttons underneath your search results. Under the "Actions" menu, you will find 3 CMA options: CMA (*Matrix CMA Wizard)*; Quick CMA; and Cloud CMA.

CMA Options in Matrix
Quick CMA

From your search results, select the listings that you would like to include in a comps report and then click the "Quick CMA" button under the Actions menu. Properties will be grouped by status, give general characteristics of each listing, and then the average, minimum, maximum, and median values for each status. This is a great tool if you need to quickly find comparable properties to gauge the market and are not concerned about putting together a comprehensive report with all of the "bells and whistles".

Matrix Quick Search and Creating the CMA

> 💡 2 Ways to create a Full Matrix CMA
> 1. Search page and find comparables and **CMA** button on the **Actions** bar to import.
> 2. Go to **My Matrix**, **My CMAs**, click **+Start a New CMA**

Demonstrate multiple search functions for comparable properties on the Search Page (Quick or Detailed)

1. Criteria should be comparable to subject property (will vary based upon subject property used)
   a. Property Style,Zip code, City, Subdivision
   b. Square Feet
   c. Pool
2. Map search
   a. Show 1 mile radius of subject
   b. Reduce or expand radius as needed
3. Collect initial comps (aim for active, pending and sold)

Begin the CMA process from the results page
From your search results, select the comparable properties you want to include from each status. Click the CMA button.

Launch the **CMA Wizard,** and review its 9 tabs.

1. (**Start**): Select a contact (if applicable) or create a new contact. Enter a brief description of the CMA (for example, CMA for Listing Presentation at 123 Main Street).

2. (**Pages**): Select the pages that you would like to appear in your CMA.
   There are 5 sub menus (cover, subject/adjustments, comparables, static, and map).
   You may want to do a test CMA with all pages, and then go through to determine which pages to eliminate.
   a. Once pages are selected, you may click "Set as Default" to make selected pages the system default for all future CMAs.
   b. Remember: CMA Cover Sheets can be customized under My Matrix/ My Information/ CMA Cover Sheet.

3. (**Subject**): Information on the Subject Property can be entered manually, filled from an MLS listing, or filled from the Realist Tax Records. *Note that there is a section on the bottom of the Subject tab that allows you to add custom fields and link those custom fields to the MLS. These fields then carry over to the adjustments page.*

4. (**Cover**): Make any modifications desired to the cover page. [Default cover page set up under My Matrix/My Information/CMA Cover Pager.]

5. (**Comparables**): In this case, we started with a search for comps so these are already populated. However, we can remove selected comps, add additional comps from listings, or add additional comps from a cart. Also, under this tab there is a button to add comps from the Tax Records. This will be an opportunity to put in search criteria and identify sales that occurred outside of the MLS.

6. (**Map**): Preview of the map with the subject and comps.

7. (**Adjustments**): Can make price adjustments for a wide variety of fields including bedrooms, full baths, half baths, # floors, pool, lot size, sq ft heated, and year built.
    a. If additional fields were added under the Subject tab, these fields will carry over to the Adjustments tab and allow you to make adjustments for additional features.
    b. There is also no "magic list' of adjustment values. These values are based on conditions in the specific market of the subject property.
    c. You only make adjustments to comps, ***not to the subject property***.
    d. **CBS: Comps Better, Subtract** (if the comp has something more valuable than the subject property, subtract value from the comp to make it more similar to the subject).
    e. **SBA: Subject Better, Add** (if the comp is inferior to the subject property – the subject property has something better, add value to the comp to make it more similar to the subject).
    f. For any property, you can also click "***View in Detail Mode***" to make all adjustments at once for a particular listing.   Auto-Adjustments/Feature Value: For certain fields, there is a box to enter a "Feature Value. This will automatically adjust all comps with that value (positive or negative). For example, if the value of a bedroom is entered under this box as $20,000, all comps with less or more bedrooms will automatically be adjusted by $20,000 (positive value if comp has less bedrooms and negative value if comp has more bedrooms).

8. (**Pricing**): This tab will give summary statistics, along with two fields to make pricing recommendations. Under Suggested List Price, you can make a pricing recommendation*. For CMAs, it is generally recommended to give a range rather than a value.* Or, you may want to leave this field blank so that you and your customer can come up with a value together. Talk to your broker about his or her preferences.   Under Notes, you can add additional notes.
9. (**Finish**): From here, you can either view and print the CMA or email it directly to a customer.

To access a CMA you already completed, go to My Matrix/My CMAs. Here, formerly created CMAs can be viewed, edited, emailed, or deleted. A new CMA can also be launched through here, with comps being selected as a later step

Add / Edit CMA
1. Demonstrate how to access the CMA on the homepage

2. Demonstrate 2 ways to add additional listings to the CMA
   a. Carts
   b. Add from listings / tax records
3. Create a cart
   a. Begin a new quick search in Matrix
      i. Specific to the subject properties' street address
         1. Find comparable homes that have sold on the street
         2. Add them to a Cart: name the cart the contact person or the CMA address
   b. Launch CMA from homepage
      i. Edit CMA
      ii. Add listings from cart
4. Add from listings
   a. Add from listings
   b. Demonstrate how to search from the CMA
      i. Show how to add additional fields
      ii. Add appropriate comparables