

Predicting Final Sales Price



Freedom Mentor

The Most Trusted Resource for Guiding
Real Estate Investors to Financial Freedom

You'll Discover...



- How to accurately predict what a property is going to actually sell for when it is correctly listed on the market.
- One of the single most important skills a real estate investor **MUST** possess.

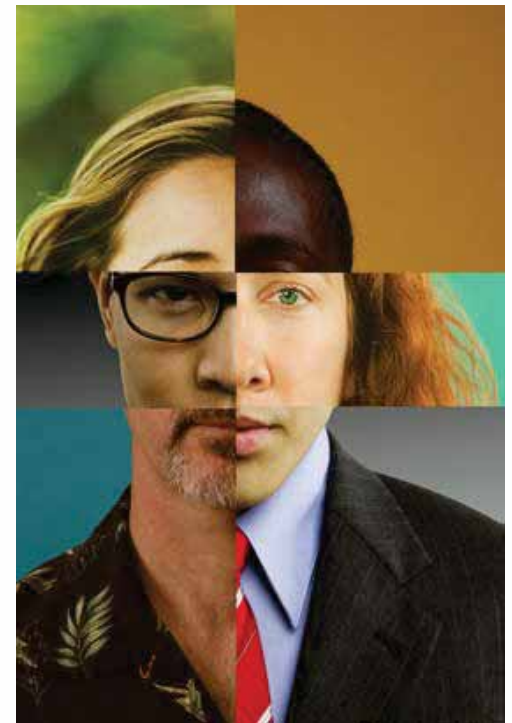


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Combination of People

- Appraiser
- Real Estate Agent
- Real Estate Investor
- Judge



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Appraiser

- Determines Value based on appraisal standards (i.e. Contract Price beats all)
- Compares Closed Comps (What other similar houses have sold for)
- Assigns values to specific and/or unique features.
- Estimates replacement cost



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Real Estate Agent

- Active Comps (similar houses currently on the market)
- Marketability
 - Condition compared to competition
 - Occupied vs Vacant (Owner vs Tenant)
 - All Loans vs Conventional vs Cash
 - Staged vs Empty
 - Ease of Showing
 - Listing itself (pictures, description)



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Real Estate Investor

- ❑ Your money is on the line
- ❑ Don't want to leave money on the table
- ❑ Mistakes cost you the most
- ❑ Thrive or die based on your predictions



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Judge

- Un-emotional
- Un-clouded
- Un-biased
- Impartial
- Rule based on Evidence



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Predicting Final Price

- Property's History
- Closed Comps
- Active Comps
- Withdrawn & Expired Comps
- Know Thy Property
- Compile Calculate Compare



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Property's History

- What has it previously sold for (most recent transaction)?
- When is the most recent listing on the MLS and what happened?
- Any/all previous MLS listings
- Any/all previous Appraisals
- Example 1: 2268 Turnbull Bay Rd, New Smyrna Beach, FL 32168
- Example 2: 527 Victoria Blvd, Auburndale, FL 33823



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Closed Comps

- The closer to the subject property, the better (start within 1 mile, then extend outward as needed)
- Within 20% main levels sq ft up or down; ideally same bedrooms and bathrooms
- Within 10 years Year Built up or down
- Within 6 months sales date
- Easy Ex: 20 Wedgewood Ln
- Hard Ex: 340 Sisco Rd



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Active Comps

- Apply same guidelines as Closed
- But also step out beyond the guidelines and look at everything that is for sale (put yourself in a potential buyers shoes)
- Ex: 365 Sisco Rd



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Withdrawn/Expired Comps

- Apply same guidelines as Closed



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Know Thy Property

- ❑ MUST view in person to verify...
 - ❑ Square footage, bedrooms, bathrooms, unique features, etc.
 - ❑ Condition
 - ❑ Neighborhood / Surroundings
 - ❑ Unpermitted additions / renovations?
 - ❑ Comps



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Compile Calculate Compare

Compile

-  All property history

-  Most comparable closed & actives

 -  Throw out the highest (and maybe the lowest)



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Compile Calculate Compare

- Calculate Price per Square Foot
 - The larger the square footage, the lower the price per square foot (within a set of closed comps)
 - The smaller the square footage, the higher the price per square foot
 - Single story square footage is more valuable than two level.
 - Basement square footage is 50% value



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Compile Calculate Compare

- Compare (Make Adjustments)
 - Seller Concessions
 - Land Size
 - Condition
 - Square Footage
 - Basement
 - Garage
 - Pool
 - Other Unique Features



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Compile Calculate Compare

- Compare to Actives
- Step away from the detailed calculations and put yourself in a Buyers shoes



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When You Are Stuck

- Reach out for help from our coaching team (shoot a Jing video showing your dilemma)
- Hire an appraiser to educate you
- List on the MLS. The market is the best “predictor” of final sales price.



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Summary

- Combination of Appraiser, Agent, Investor & Judge
- Compile: Property History, Closed Comps, Active Comps, Withdrawn/Expired Comps, & Property Details
- Calculate: Price per square foot
- Compare: Everything you compiled
- Put yourself in a Buyer's shoes



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Prediction Ex 1

 Jordan's ID 94635



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Prediction Ex 2

 Jonathan's Ocala Deal



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Prediction Ex 3

Jonathan's First Deal



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Prediction Ex 4

 Jonathan's Mobile Home



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