

20 Steps to a Successful CMA

For some of you who are further down the path of doing adjustable CMA's, some of these steps will be repetitive. Some of you are re-energizing your business and taking the steps to understanding the adjustable method of pricing homes. It's important to use this concept whether you are experienced or new. Practice makes perfect applies to this concept of pricing. Hopefully you will take the steps necessary to understand this approach, and you will differentiate yourself (and add this ability to your list of USP's) from the Realtors in the marketplace who do not understand this concept Those that do, set themselves up for success!

- 1) You want to have a Listing Presentation and a CMA presentation (such as Cloud CMA or RPR (Realtors Property Resource) **AND** use their adjustable method template, also found in the RMLS
- 2) Do a walk through on the home. (TAKE A PHOTO FOR THE COVER PHOTO OF YOUR CMA). Do not go to the home and seller with price ahead of time! Tell the seller on the phone appointment you are not doing an appraisal, but some of the steps in determining an accurate OPV (Opinion of Value) on your home are similar to an appraisal. Have the seller give you a tour. Take excellent notes! Bond with them. Ask them a lot of questions about the house. Then explain you are going to "go do your homework on the market" and give them a ***professional opinion*** after you have all the facts. Sellers love this. Other agents normally do not do this! It sets you apart.
- 3) Step 1 after seeing the home is selecting your comps. Start very broad and pull in as many comps as possible. Searching for the right comps is THE MOST IMPORTANT/CRITICAL COMPONENT of an accurate CMA. If you have a split level home, you would not use a single level home as a comp as this is a completely different home. If your client has a single level home, you do not want a 2 level home as a comp, even if it is the same neighborhood! Same High School areas are fine. Often times I will use a comparable in the neighborhood that sold a year before, and adjust up or down based on the RMLS market action report. **IT IS FAR BETTER TO HAVE 2 COMPARABLES OF SIMILAR FLOOR PLANS IN THE NEIGHBORHOOD THAT HAVE SOLD 12-14 MONTHS SOONER, THAN TO HAVE 2 COMPARABLES THAT SOLD 30 DAYS BEFORE BUT THE NUMBER OF LEVELS (2 VS. 1) IS NOT COMPARABLE.**
- 4) Print a 16 up photo report also. This is super important as it will aid you in determining a condition adjustment because of updates, remodeling, etc.
- 5) Once you have selected at least 3-5 comps, go to the "TOOLKIT" TAB NEXT TO "BACK OFFICE", AND THEN CLICK ON "CMA PROFILES". CLICK ON "ADD CMA PROFILE".
- 6) Click on "PROFILE NAME" and add in the "FIRST AND LAST NAMES" in the screens. CLICK ON "SAVE & NEXT"
- 7) Now you see several tabs at the top of the page. Click on "SUBJECT PROPERTY" and fill in the blanks. You want to click on the mapping box and hyperlink within that box to adjust the map to its accurate location. Adjust if needed! Go to the "PHOTO BOX" and browse and add in your photo. This is the photo you took when you visited the property on your initial visit. Hit the "SAVE" button and now you are ready to add in "FEATURES".
- 8) Now you are going to fill in some important blanks in this FEATURES tab. These selections are important. Total SF, beds, baths, etc. Some categories are duplicates so be careful of what boxes you check and what features you add.
- 9) Look at the comps and look for major features you will want to add into the list of "features" on the RMLS CMA report. These are features that stand out between the properties that you will make major adjustments on. Some of these include 1) appreciation on when the comp sold, 2) how much appreciation there was between the comp and the listing you are pricing now (when the property was sold) 3) views, 4) condition, etc.

20 Steps to a Successful CMA

Page 2

- 10) NOW IS THE TIME to “load your comps” into the program. There are times when I find 5-10 comps that are really good. Other CMA’s you may have only 1-2 comps (especially if they are wanting an OPV for a re-finance). Keep in mind we are looking for the 3-5 BEST comps, same style homes to your subject, location, neighborhood, approx. age, etc. If you only have 1-2 comps 12 months a part, my first source for additional comps is your title company. You will have to be specific with them that you only want comps sold that are “Single Level” or within a “3 mile radius”, same style, etc. If they do find a “FSBO” for you and you use it, remember it is likely that FSBO, since it was not sold in through the biggest pool of agents with buyers, the RMLS, would likely have sold “under market”. Even in this low inventory of market. **So typically you may need to add up to 10% in value since only a tiny representation of the market (6-11%) would have been exposed to that FSBO.** Do your homework on any Title company comps that you find are FSBO. Drive by any FSBO’s or private sales the title company gives you.
- 11) You are now ready to start making your adjustments
- 12) Take out your “value adjustments list” provided with this handout. Begin making adjustments at the top and work your way down adjustments page. **ALWAYS** leave condition as your last adjustment. If you know about what a house is worth, this is the key element (**CONDITION**) **appraisers use to get to their final number when the comps are very different.** If the subject is in a “no brainer” neighborhood, (meaning all the houses are similar 2 story production plans by a big builder) sometimes my condition adjustments are not even needed. For instance. It’s a Polygon neighborhood and the homes are all 3 years old. **You would not need to likely use the “condition” adjustment feature UNLESS your subject property or one of your comps is trashed.** For the purpose of this example, I have 5 comps to utilize. One is very low (buyer made a great buy on the adjusted comp), one came in very high (buyer likely bought it high compared to the comps) and 3 that were in a very close range!
- 13) Continue making adjustments. As I review each comparable in more detail, I may need to go back and add a feature to my list of features that are to be incorporated into the list. Once you get to the bottom of the comparable adjustment lines, SAVE THAT WORK, CLICK ON THE NEXT COMP, AND BEGIN AT THE TOP AGAIN.
- 14) After making all your adjustments, now is the time to print your finished CMA.
- 15) You may be thinking this is “way too much work. I’m just going to use the new RPR format or one of those stock PSF programs.” RPR is a great tool to use some of the pages if you want. Cloud CMA is fantastic for Visuals and I incorporate the RMLS Adjustments CMA product into the presentation. I scan the whole thing, give the seller just the completed CMA pages on adjustments, give them one copy or a PDF copy depending on the type of customer. I utilize my I Pad or computer to walk them through my finished CMA or final product presentation. Sometimes I use a hard copy.
- 16) Click on the “RECOMMENDED PRICE” tab. Fill in your low adjusted price & high adjusted price. Very important....SOMETIMES I LEAVE OUT THE RECOMMENDED PRICE which is great room for discussion with your owner/seller.
- 17) Click on COVER PAGE TAB. MAKE SURE YOU CHECK “USE SUBJECT PHOTO PROPERTY” photo button or it will not print out on front page. I always add 3-4 features in the spaces provided. I leave comments off.
- 18) Now CLICK ON “CONTENT” TAB. Here you can add pages for instance about your resume, company pages, etc.
- 19) Finally CLICK ON “GENERATE REPORT” TAB. I use items 1,4,5,6,7,8 in most of my CMA’s. Since I use a page in my listing presentation that talks about my resume, I don’t include that here.
- 20) Don’t forget to “HIT SAVE” each time you go between tabs. You can always go back and “edit at a later time”.

With practice, you should be able to complete most CMA's within one hour, start to finish. If you leave yourself 30 minutes to complete a CMA for a listing presentation, you will likely make big mistakes, and could possibly even lose the listing! If you take the time to prepare your CMA ahead of time, you will stand out with your sellers and you increase your odds of getting that listing tremendously!

BIG TIP.....This process could be used as a USP (Unique Selling Proposition). When you have your completed the CMA, save it as a PDF and it can be used as a separate document, printed to include inside the pages of the Cloud CMA Presentation, RPR Report, or Summa Marketing Presentation.

Updated CMA Value Adjustments-August 2017

View of 3 Mountains, Valley, Etc.	\$25K
View of Mt. Hood	\$20K
Views of other Mtn.'s-No Mt. Hood	\$15K
Territorial Views	\$10K
River Views-On River Access	\$75K
Backs to Green Space-Premium Lot	\$10-15K
City Views/Lights/River	\$10-20K
Lake Views-Very Subjective See Solds	Can be up to \$200K depending on comps and location
Incremental Acreage (Inside City Limits, Rural Reserve's/Urban Reserves Differ)	
Clackamas	\$20K per acre up to max of 10 then 10K per acre
Yamhill Cty.	\$15K per acre " " 5K per acre
Washington Cty.	\$20K per acre " " 10K per acre
Bedrooms	\$5-15K (5K up to \$400K Houses 10K-15K above)
Bathrooms	\$5-10K (3750-5K ½ bath & 7.5K-10K)
Condition/Remodeling	Varying & Subjective Based on Comps/Subject Upgrades A1, A2, A3, A4
Yearly Depreciation/Age of Home	\$1-2K not to exceed 10K
Lot size	5K-10K for each group 1 Acre Below
Siding Exterior	
Wood/Cedar	Standard Baseline
LP	\$5K-10K Deduction compared to Cedar-Hardy
Hardy Plank	\$2.5K-5K Deduction compared to Cedar-Maybe none if Stone included
Additional Dwelling Unit-Permitted	\$15-30K
A/C & Heat Pump	\$3.5K
Fireplaces	\$3.0K
Garage	\$2.5K Tandem. 5-10K per standard Bay
Neighborhood	Varying factor subjective
S.F Main	\$40-\$60 SF Depending on Grade of Home
S.F. Lower	\$20-25 SF " "
S.F. Lower Unfinished	\$10-\$20
S.F. Upper	\$40-\$70 SF " "
Street of Dreams Quality S.F. Adj.	\$60-\$70 Above Grade SF Incremental/\$30-\$35 finished basement
Pending Adjustments	Depends on Time on the Market and Agent Confirmation
Short Sale-Difficult	\$5-25K Subjective depending on Bank and Agent Confirmation
Foreclosure-Less Difficult	\$5K-\$20K Depends on initial listing price at or below market
Master Bedroom Level	\$5-10K Subject to Floor Plan and Neighborhood. Can be detriment w/kids
When Sold	5%-12% last 12 mo.'s 2016-17 Depends on MLS Area-See Market Action Report
Busy Roads	\$10-30K
Flag Lots	\$10-20K
No Paved Road	\$15-40K Depending on length of drive
Steep Driveway-Lots of Steps Up	\$5-20K Depending on number/garage under floor plan

This document or any portion contained herein may not be reproduced, copied, re-printed, distributed, emailed, or used in any way without the express PRIOR written consent of Dave Hopkins and Summa Pacific Cascade Realty