COMPARATIVE MARKET ANALYSIS

The ‘CMA’ - Your guide to home price evaluation.

SUMMA® REALTY

ABOUT SUMMA REALTY

Locally owned, born and bred - Summa Realty is the vision of a native Oregonian's commitment to excellence in real estate.

We know your journey to home ownership is about finding the right fit. It's important to match you with a local expert who can resonate with your needs and lifestyle.

Summa empowers its Brokers with cutting edge technology and the best support systems and staff to help you achieve your goals.

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GETTING PREPARED

Before we're ready to list your home on the market we need to cover a few important topics.

Let's get started!

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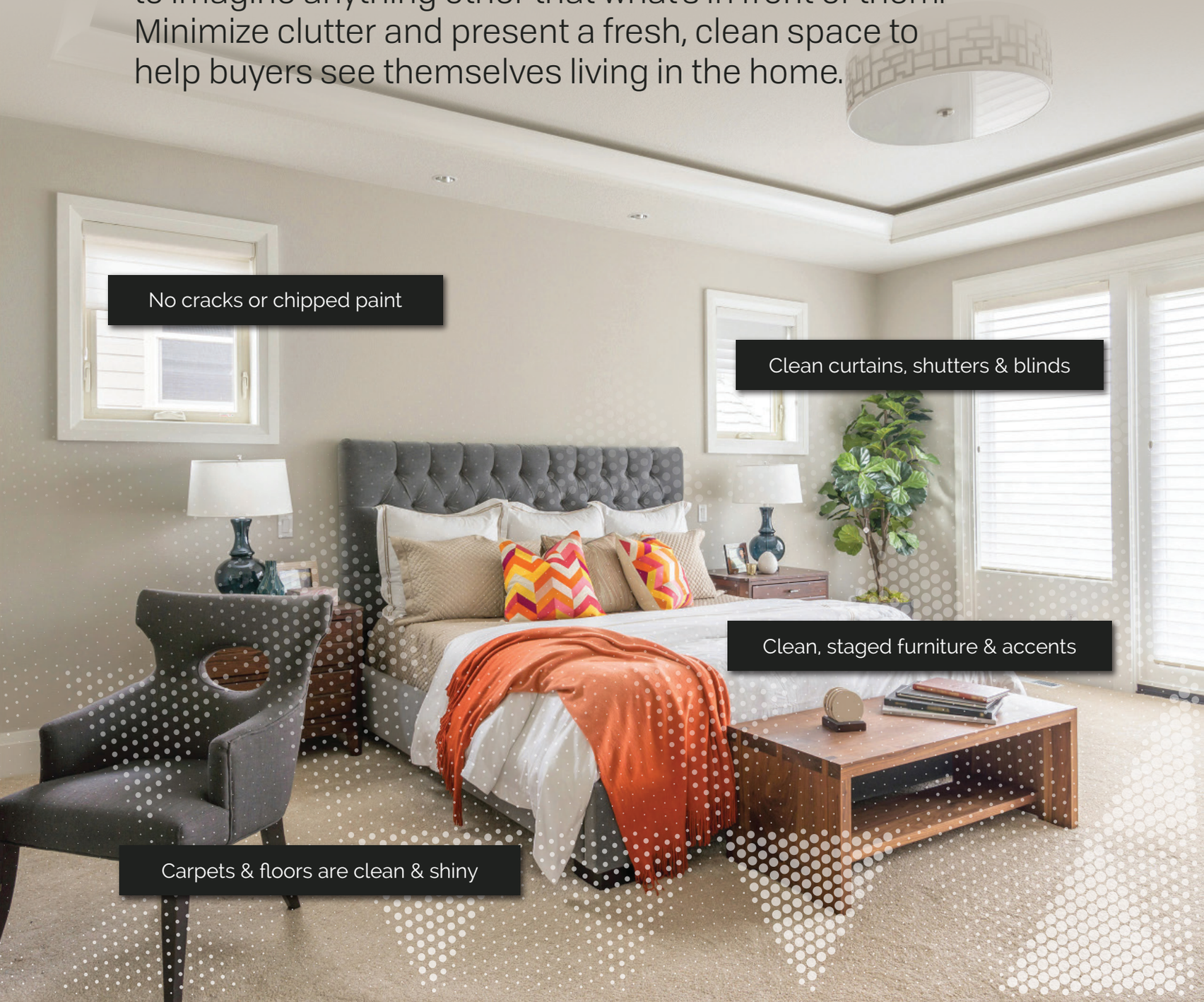
CURB APPEAL

You never get a second chance at a first impression. Whether online or in person, curb appeal is your home's first impression to prospective buyers. These simple tips will help ensure that your home stands out among the rest!



STAGING & CONDITION

When a buyer walks in the door, it's difficult for them to imagine anything other that what's in front of them. Minimize clutter and present a fresh, clean space to help buyers see themselves living in the home.



HOME WARRANTY

Protect your investment.

As we market and merchandise your home, our goal is to maximize its attractiveness and value. A great way increase that value is through a home warranty. Including a home protection plan helps you stand out in the market, provide peace of mind and boost buyer confidence in your favor.

PROTECT YOURSELF & MAKE YOUR PROPERTY MORE ALLURING

- Protects the seller (you) during the listing period
- Sets your listing apart and increases value
- Discourages downward negotiation
- Reduces potential post-sale liabilities

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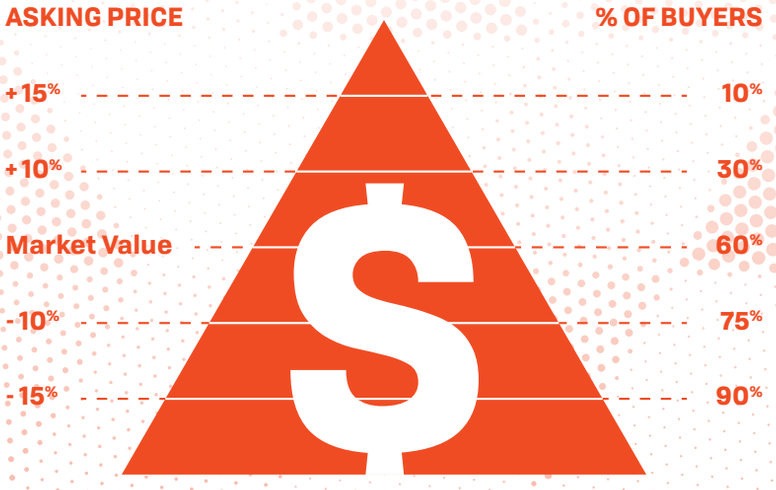
INTELLIGENT PRICING & TIMING

Pricing a home can be tricky, but there are a few constants that rarely buckle under pressure. Fair market value is what your searching for, because the market (almost) never lies.

Fair market value is what a willing buyer and seller agree by contract is a fair price. Values can be impacted by a variety of factors, but the two largest are location and condition. This value can be determined by comparables - similar homes that sold or are currently for sale in the same area.

Sellers often view their homes as special, tempting them to price high. This can be a mistake as overpricing reduces the number of eligible buyers. Most buyers shop by price range and look for the best value in that range.

- Fair market value attracts buyers, overpricing doesn't.
- The first two weeks on the market are the most crucial.



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INTELLIGENT PRICING & TIMING

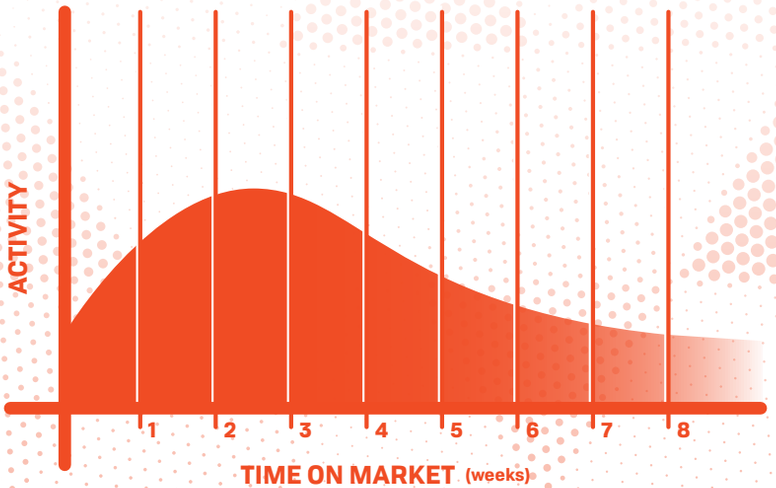
The best chance of selling is within the first two weeks.

We'll market with signs, internet distribution, open houses, Broker Tours, ads and email blasts - giving your home a flurry of attention and interest as quickly as possible.

If you don't get many showings or offers, you've probably overpriced and it's not comparing well to the competition. Since you can't change the location, you'll want to improve the condition or lower the price. Sprucing up the curb appeal or staging the interior are viable options to increase value.

The market may shift and give your home a second chance, but you may have allowed a stigma to cloud your home's value.

Intelligent pricing isn't about squeezing out every penny, it's about getting your home sold quickly at a fair market value.



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THE SUMMA SYSTEM

Our approach to marketing your property is simple.

We utilize modern technology and marketing paired with traditional sales and negotiation skills.

This proven combination will help sell your home fast and for the best price!

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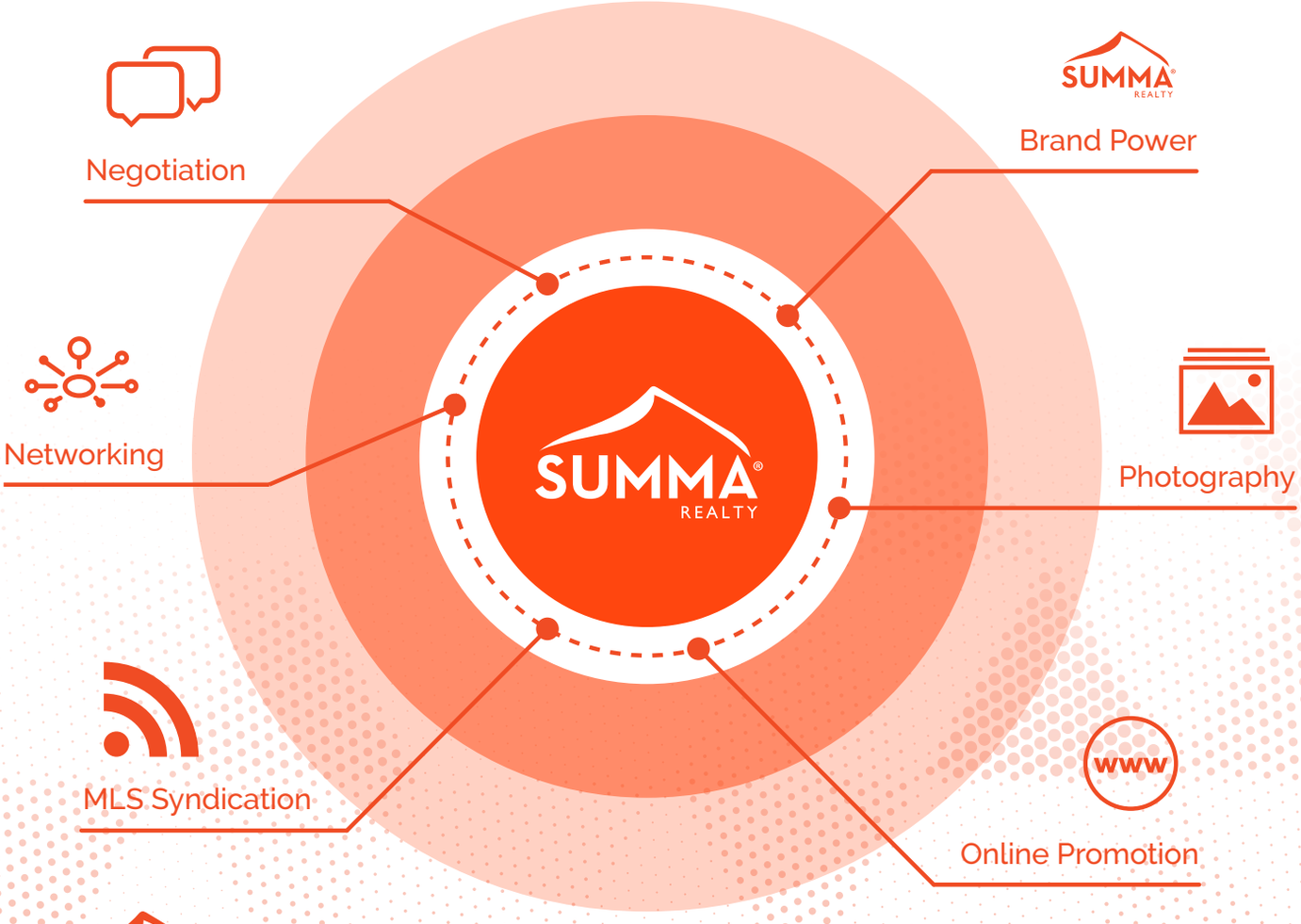
SYSTEM OF SUCCESS

These key points add up to a successful sale when applied by our highly trained brokers. Let us show you the difference!



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LIFESTYLE BRAND POWER

As an independent and local business we're free of the typical restrictions associated with the big box / franchised brands.

We won't treat you as a 'transaction' or means to a paycheck. Our brokers are driven to provide you with excellent service, focused on achieving your goals and going after your dreams!

LIFESTYLE BRAND (SUMMA)

- Competes by driving **VALUE**
- Markets the home as a lifestyle product
- Focuses on the feeling a consumer expects to have
- Buyers are engaging in a 'lifestyle' not just buying a house

TRADITIONAL BRAND (BIG BOX BRANDS, LARGE FRANCHISES, ETC)

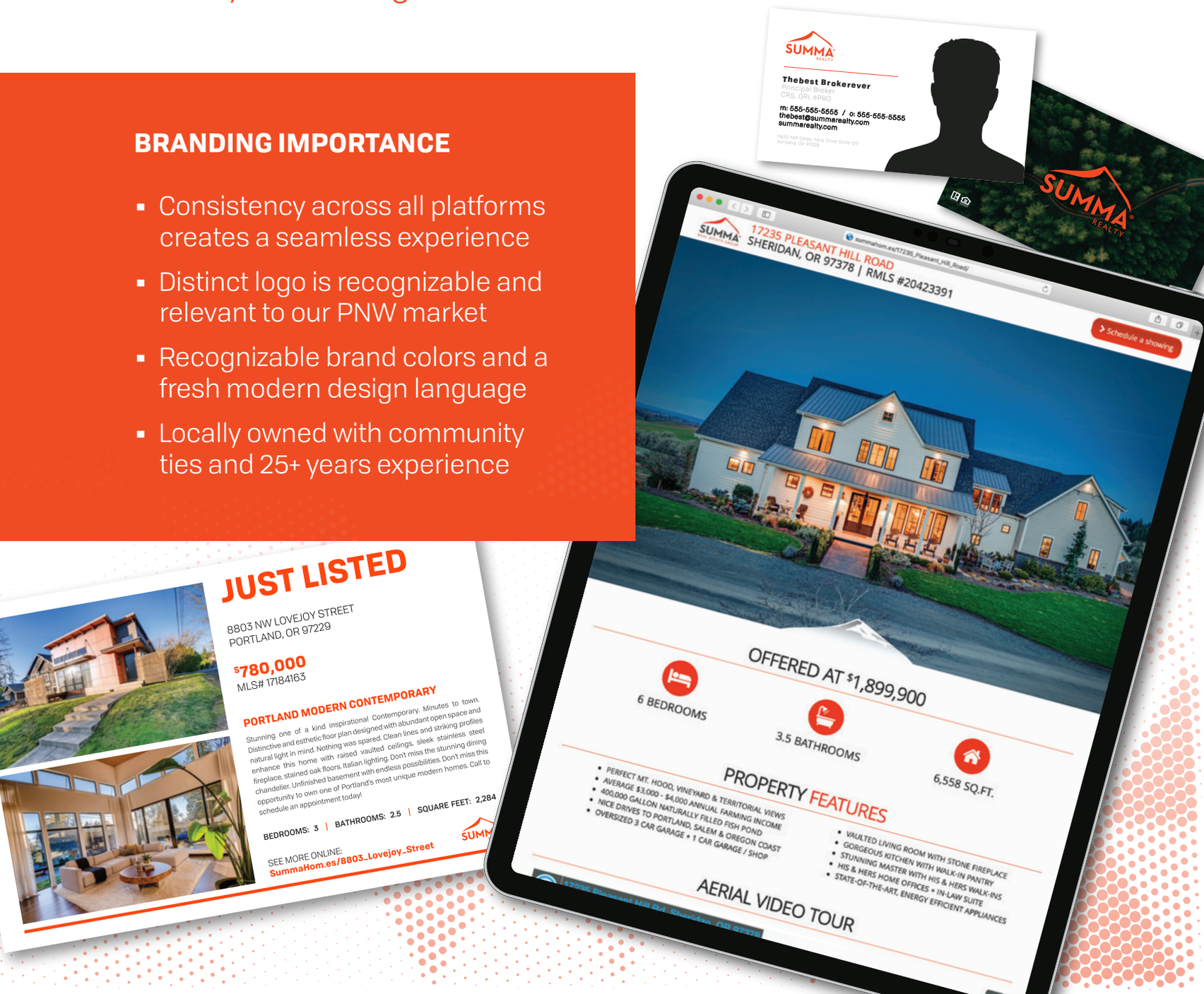
- Competes by driving **PRICE**
- No merchandising; doesn't present the home as a product
- Stale, big box corporate feel and arbitrary rules / policies
- Presents home buying as a transaction, not as a momentous event

THE POWER OF BRANDING

Consumers buy brands. Regional recognition and trust are key to building successful and sustainable business.

BRANDING IMPORTANCE

- Consistency across all platforms creates a seamless experience
- Distinct logo is recognizable and relevant to our PNW market
- Recognizable brand colors and a fresh modern design language
- Locally owned with community ties and 25+ years experience



PROFESSIONAL PHOTOGRAPHY

95% of buyers qualify homes worthy of seeing in person based solely upon online photos. Quality photography is the single most important piece of the marketing puzzle.

HOMES SHOT PROFESSIONALLY:

- Sell 50% faster
- Sell 39% closer to list price
- Get 139% more online views
- Have a higher perceived value

* over listings with sub-par photos

Making the investment in quality photography pays dividends!



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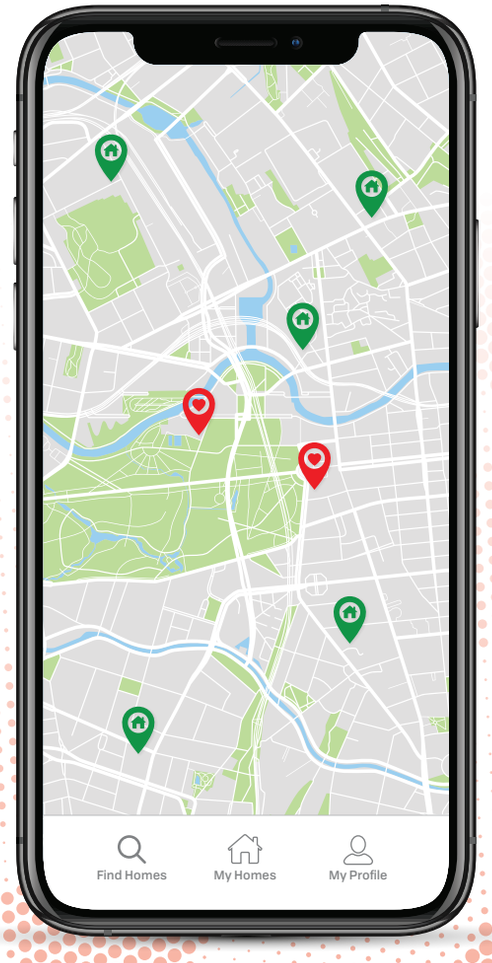
ONLINE PROMOTION

The modern home buyer is online, check out these stats:

- **90%** of home buyers use the internet as part of their home search strategy.
- **84%** of home buyers found HD photos and detailed information very useful.
- **42%** of recent buyers first step in the home search process was to look online.

Our online-driven marketing strategy is designed to maximize buyers interest in your home and direct them to take action.



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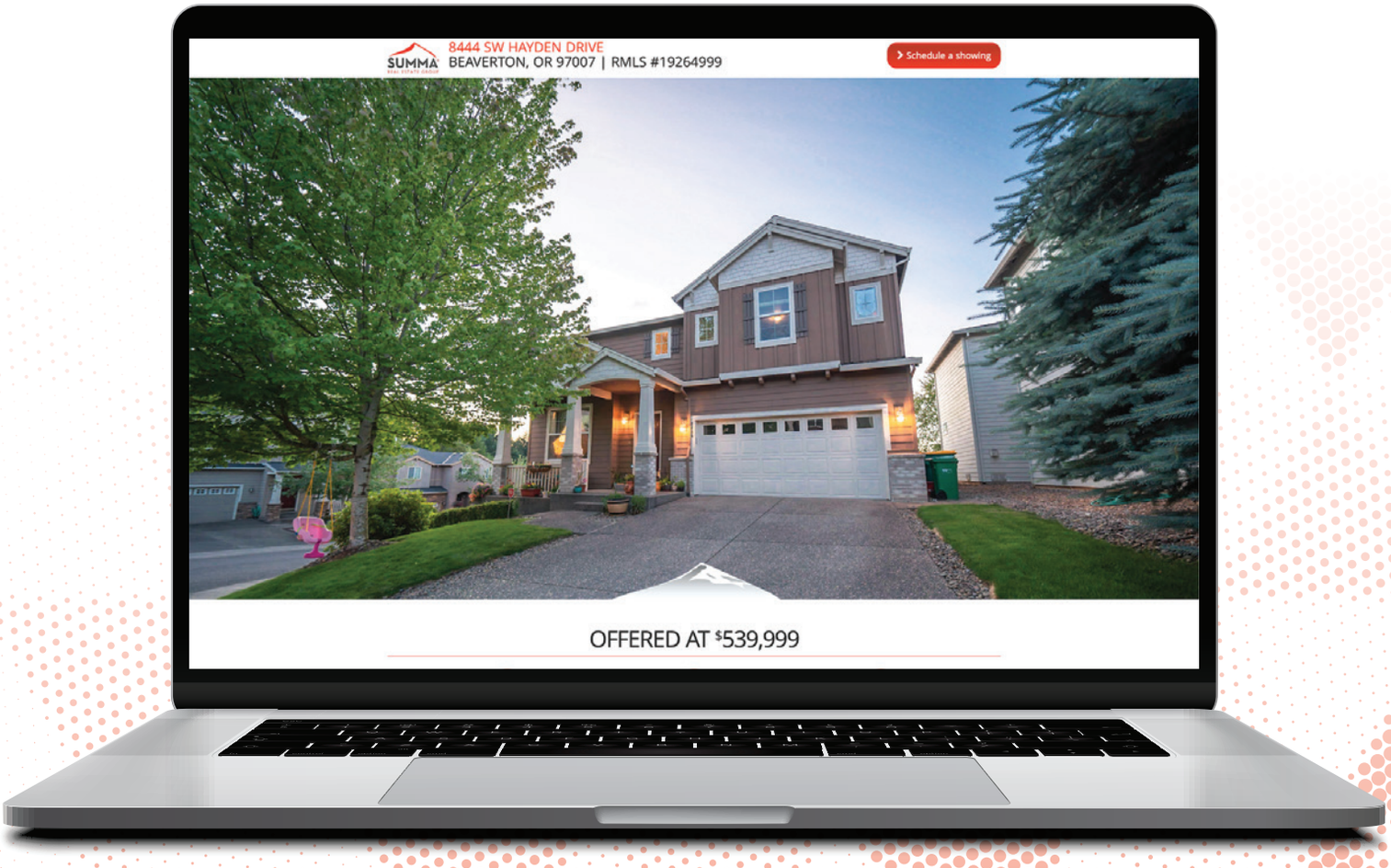
PROPERTY WEBPAGE

SummaHom.es/YourAddressHere

HD photo gallery, video tour and 3D walk-through, detailed description, property highlights, Google Maps and your Broker's contact info - perfect for buyers to schedule showings!



MARKETING METHODS

We combine tech and traditional tactics to hit the market hard. Here a few of the options we can employ to get your home the most exposure and the highest price possible!



- Dedicated Property Website
- Professional Photography
- Staging / Virtual Staging
- HD Video Tours & Drone Fly-Overs
- 3D Online Walk-Throughs
- Craigslist Posting
- Targeted Email Campaigns
- Social Media Posts & Ads
- Quality Signage & Flyer Distribution
- Open Houses & Broker-Only Tours
- Industry Networking
- Targeted Print Mail Advertising
- Luxury Magazine Print Ads
- Paid Online Advertising



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MLS DISTRIBUTION

Your listing goes live on all the top sites!

With a direct pipeline our data is updated minute by minute, and the MLS keeps us connected to hundreds of popular websites so your home will be seen by everyone, everywhere!



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+ HUNDREDS MORE!

NETWORKING & CONNECTIONS

Over 90% of all buyers are represented by someone other than the listing broker. That puts the focus on our ability to attract and work well with other real estate professionals.



90% of buyers are represented by a brokerage other than the listing brokerage.

Only 10% of buyers are represented by the same brokerage that is listing the property.

This is our opportunity to leverage our brokerage's strong connection to the local real estate community and ability to connect with fellow brokers in a more collaborative manner.

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NEGOTIATING & CLOSING

Tools and strategies are designed to find interested buyers, but that only gets you so far. Once the offer is in hand, that's when I really expand my role and take things to the next level.

I GO TO WORK FOR YOU

I'll help you secure the best possible price and most favorable terms, in the shortest period of time. And then I'll see it through to the end.

That's my commitment!



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MARKET ANALYSIS

Before we jump into the details of the CMA, first we need to cover some important topics that will help us understand the importance of several factors and how those can affect the value of your home.

We'll also address some valuable details related to selling your home, and what we can do to improve our chances of success.

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WHAT IS A CMA?

No two homes are identical, which makes determining an accurate sale or offer price challenging.

What is a CMA?

The CMA is a side-by-side comparison of homes that have recently sold in the same neighborhood and price range. Furthermore sorted by single family, condo, number of rooms, size, location, and dozens of other factors. It's purpose being to show fair market value, based on what other buyers and sellers have determined through past sales, pending sales and active home listings.

How is a CMA created?

CMAs are created by both computer programs connected to the local multiple listing service (MLS) as well as by real estate brokers. Hand curated CMAs created by brokers are typically more accurate than the automated comparisons that are generated by computer programs and websites.

How accurate are CMAs?

The CMA is a here-and-now snapshot of the market, based on the current and most recent data available… but that data can change as often as every day. New listings, pending sales, closed transactions, and canceled and expired listings all have a constant effect.

Home values are forever fluctuating, but an experienced and knowledgeable broker can properly compare apple and oranges to determine the closest, current value of your home.

As informative as a CMA is, it should only be considered a tool in the arsenal, and not a substitute for your real estate professional's knowledge and advice.

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WHY DO YOU NEED A PROFESSIONAL?

If you're planning to sell your home, it's probably crossed your mind to try and sell it yourself to try and save the sales commission. But, there are some very good reasons why that would be a mistake.

According to housing industry experts at Realtor.com, many more homes listed by real estate agents are sold than homes marketed by owners, and they sell more quickly and for more money.

Homes listed by real estate professionals get more exposure and their sellers get more support. Real estate professionals offer many advantages:

- We're trained and licensed professionals.
- We have experience in your neighborhood and your market.
- We have oversight from our brokers and state licensing officials.
- Our job is to advise you the best way to reach your goals.
- Our continuing education keeps us up to date on housing issues.
- We know how to present your home and deal with buyers.
- We know how and where to market properties.
- We know how to overcome the typical snags that occur in all real estate transactions and closings.
- We understand required licensing disclosures and look out for your best interests.
- We understand personal safety and security for your belongings.
- We know the best resources to make transactions go more smoothly, from bankers to home staging pros to contractors.
- We have the most accurate data sources - the MLS, the only data repository that has the most up to date listing and sales information.
- We know how to negotiate, and understand how to play the game.
- Our job is making real estate transactions successful.

If you were to market your own home, you have to make the time to do all the jobs, and wear all the hats that a real estate professional would. In addition, you'll be competing against other sellers who have real estate professionals by their sides.

If you can't leave work to show your home, and you feel it requires more knowledge and experience than you have, you can't go wrong by hiring a well-respected real estate professional.

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COMMISSIONS

REAL ESTATE AGENTS

Nearly 9 out of 10 real estate agents work on commission, and are paid only when the transaction closes. Except for the legal profession, real estate brokers are the only fiduciaries who work this way.

To simplify how commissions are routed, the industry customarily allows they be paid out of the seller's proceeds, according to the terms of the listing agreement.

BROKERS

According to state law, only licensed Real Estate Brokers can serve as fiduciaries. Sometimes referred to as "Agents", they write offers, negotiate contracts and repairs, etc. Brokers are technically 'agents' of their brokerage firm's Principal Broker, who oversees all company real estate transactions.

DISTRIBUTION

Commissions are paid according to the terms of 2 contracts - the listing agreement, and the sales contract. Once listed in the MLS, the listing broker discloses the terms of the commissions to competing brokers, so they will bring their buyers to the listing. When the buyer's broker presents a contract to the seller, it will include a provision to collect their share of the sales commission, as offered by the listing agent in the MLS.

At closing, when the buyer's loan is funded by the lender, both the listing and buyer's agent are paid their share of the commission by the escrow company (a neutral third party) out of the seller's proceeds.

The total commission is initially split at least 2 ways:

- Listing Broker
- Buyer's Broker

Commonly, each Broker must pay a portion of their commission to their brokerage firm, which in turn provides the support the Broker needs to sell real estate.

Of the commission that each broker actually keeps for themselves, they must save for and pay taxes on their own, as well as re-invest a portion into their real estate business, generating leads, advertising and marketing.

All commissions are negotiable, but sellers should keep in mind that a respectable commission can also be extra incentive to perform exceptionally.

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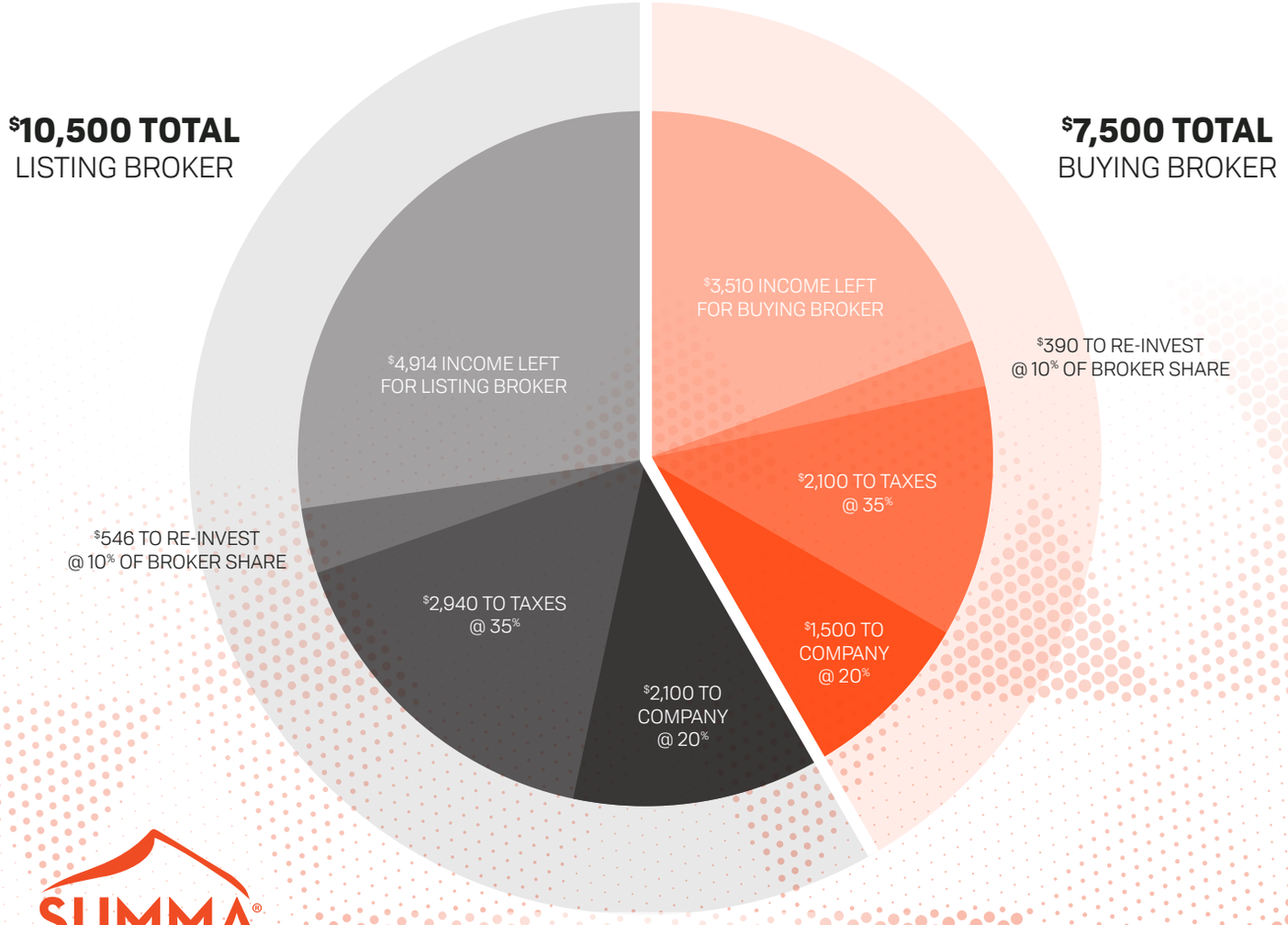
COMMISSIONS

To further illustrate a commonly seen commission structure, please review the following graph and don't be afraid to ask your real estate professional any additional questions!

This (example) graph illustrates how the commission dollars commonly get distributed between the brokers and their respective expenses, including:

- The amount the real estate company is owed by the broker.
- The amount the broker needs to save for State and Federal taxes.
- The amount the broker re-invests into their own real estate business.
- The amount the broker ultimately keeps as income.



example: $300,000 sale @ 6% commission (3.5% listing side / 2.5% buying side)

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CLEAN UP CHECKLIST

Once your home goes on the market, real estate agents may call to show your home anytime, day or evening. Keeping your home "showtime" ready can be challenging, especially if you have children or pets.

SHOWINGS & OPEN HOUSE CHECKLIST

- **Cancel clutter:** Clutter is unattractive, time-consuming to sort and costly to move. If you have collections or mementos, you may be better off renting a storage unit.
- **Keep / donate / throwaway:** Sort your belongings into these categories and take action accordingly.
- **Remove temptations:** Take valuable jewelry and collectibles to a safety deposit box or secure location.
- **Remove breakables:** Figurines, China, crystal and other breakables should be packed and put away.
- **Be hospitable:** You want your house to look like a home. Stage it to show the possibilities, set the table, a throw on a chair and an open book on the table.
- **Have a plan of action:** Sometimes showings aren't convenient. If you have a showing with little notice, get the family engaged, everyone can help clean up.
- **Form habits:** Wash dishes immediately after meals. Clean off countertops. Make beds in the morning. Keep things washed often and smelling fresh.
- **Clean the garage & attic:** Buyers want to see storage including closets and nooks.

THE ESSENTIAL 5 MINUTE CLEAN UP FOR SHOWINGS

Look around, check for hazards and make sure toys, clothes, and clutter are put away.

- **Remove or put pets in kennels:** Large dogs should be noted in the listing. Buyers with allergies may appreciate knowing in advance if you have pets.
- **Let there be light:** Open the drapes or blinds and turn on the lights!
- **Give the buyer privacy:** The buyer must be accompanied by an agent. They can then assess your home more honestly without your presence.

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MOVING CHECKLIST

Moving to a new home can be an exciting journey. Whether you're changing cities or neighborhoods, it can be the start of a new chapter in life. Moving can also be very stressful. Finding the right moving service and having a good, flexible plan, can help avoid most of the common headaches.

START PLANNING YOUR MOVE

Finding the best mover at the right price involves a simple evaluation of your needs; planning, storage, packing / unpacking, even decorating and organization, you can choose the extent of the services your budget requires.

Packing isn't so simple, Keep, Donate, Toss. Sort by room and cut the clutter. Pack heavy items in small boxes and light items in large boxes, all with proper labeling.

GET REFERRALS

Finding a good mover begins with asking a friend or coworker about their experience. Your Realtor can also be an excellent source of information. If you're being transferred, ask your relocation agent who they recommend.

The American Moving & Storage Association's website lists associate members and helpful hints. They suggest getting several estimates to compare cost and services.

COMPARING MOVERS

Estimates are based on weight, distance, packing, and services. Contracts should state the rates / charges, liability for your items, schedules, and claims protection.

Movers should give you a copy of "Your Rights and Responsibilities When You Move" and information regarding the mover's participation in a Dispute Settlement Program. The Federal Highway Administration requires distribution of the booklet, and that movers must offer shippers neutral arbitration as a means of dispute resolution concerning loss or damage of goods shipped.

BE PREPARED

Even in the most well-planned move, things can happen. Insurance is crucial. Check your homeowner's insurance about coverage while moving. Your mover will provide either "released value" or full replacement value. Items of special value such as heirlooms or collectibles can be insured separately. In the event of damage, file a claim immediately and save the packing materials should there be any problems.

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FEATURES THAT SELL

According to the National Association of REALTORS® latest profile of home buyers and sellers, buyers plan to occupy their homes for the next 10 years. They want homes that offer the room, flexibility and comfort they anticipate they will need for a long time. Over three out of four buyers chose a detached home, while attached homes - condos and townhomes - were favored by single home buyers and buyers without children.

BUYERS TODAY

The median size existing home purchased in 2010 was built in 1990, with 1,780 square feet, three bedrooms and two bathrooms. Size mattered most, while the home's condition came in a close second. Buyers in multiple surveys expressed concerns over operating costs. They want energy efficient appliances, windows, water and operating systems. They also carefully considered commuting costs to jobs, schools and other destinations. Overall, they're buying smaller homes closer to the inner city.

A study by the National Association of Home Builders found that buyers are interested in saving on square footage, but they want a gracious, but casual ambiance. It's likely that new homes will reflect buyers' preferences for maximizing square footage with smaller entries, dining rooms and living rooms, and awarding that square footage to a greater sized family room and eat-in kitchen.

MUST HAVE FEATURES:

- A walk-in closet in the master bedroom
- Separate tub and shower in the master bath
- A separate laundry room
- Ceiling fans
- First floor master bedroom / suite
- Two car garage
- Insulated front door
- 9 foot ceilings on the first level

Buyers want homes that are sustainable and affordable, more than homes that are impressive to others. For that reason, builders predict that homes of the future will continue to be smaller and more energy efficient, with far better space planning, storage and utility than existing homes have today.

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SELLING IN A TOUGH MARKET

When home prices fall, supplies of homes for sale increase, and buyers become more demanding, it's a buyer's market. That doesn't mean you can't sell your home for a fair price. We just have to work a little harder at it.

A buyer's market is not the time to represent yourself. It may be tempting to recoup some equity by not paying a real estate agent, but you'll lose more than you'll gain. A real estate professional can give you an accurate overview of the market, help you with strategies, and bring offers from qualified buyers.

MAKE YOUR HOME PRISTINE

In a buyer's market, only location and condition can move buyers to pay more for any home. You can't do anything about location, but you can take condition out of the equation. There's a huge difference between a home that "doesn't need a thing" and a home that "needs work." Show pride of ownership by putting your home in top condition so that your home is more appealing to buyers than other homes in your price range.

PRICE IT RIGHT

You can expect low-ball offers in a buyer's market, but homes that are priced fairly and in pristine condition will be treated with more respect. Pricing according to recent sold comparables might not be as smart as pricing to pending sales. You should know what your bottom line is, but pricing your home has nothing to do with how much you owe, how much cash you need for retirement, to buy your next home, or any other reason. Buyers pay current or pending market value as determined by the most recent comparables.

KEEP NEGOTIATIONS PLEASANT

Negotiation is a fine art and typically works best when both parties get what they want. For example, you may be willing to take less money in exchange for a cash offer or a quicker closing. Your buyer may be willing to pay your asking price, but they may ask you to pay their closing costs. You'll quickly realize if you're dealing with a sincere buyer. Respond to the buyer's negotiations in a timely manner, and if you feel the buyer isn't negotiating in good faith, simply stop. You're under no obligation to respond to an unreasonable offer. Buyer's markets work for sellers, too. Keep in mind that when you buy your next home, you'll be able to take advantage of falling prices too. Think about the future - that you can repurchase more home for less money next time. It all evens out.

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ONLINE VALUES

Plenty of sellers have visited online home valuation sites such as Zillow, Trulia, and others only to be shocked at the value of their homes.

Most sellers are pleased when the values appear higher than they expected, but many online valuations come in far lower.

ONLINE VALUATIONS

Estimating a home's market value is far from an exact science. What these sites attempt to do is provide greater transparency to home buyers and sellers by making data derived from public records, more public. They publish what you paid for your home and how much you pay in taxes. Many have satellite views so accurate they can spot your cat laying on the front porch.

How do they do it? Home valuation sites contract with major title companies to obtain county tax roll data. All property is registered with the county for taxing purposes. They also find ways to become members of local multiple listing services, which are either subsidiaries of real estate associations or owned by local real estate brokers. Thus, giving them access to listing data.

Between tax roll data and listing data, home valuation sites apply their own secret sauce or algorithm to come up with "zestimates" or approximate values of what homes are worth.

Sometimes the results are spot on, but they can also be terribly inaccurate. First, transaction data has to be recorded with the county, which could take weeks. But, what alters the algorithm most is that properties not currently on the market are included in the data. The algorithms can't show whether or not a home has been updated, how well it's maintained, or esoteric values such as curb appeal and views.

For that reason, online valuations should only be used as one of many tools to estimate a home's value.

ASK YOUR REAL ESTATE PROFESSIONAL FOR THEIR EXPERT ANALYSIS

Ask your real estate professional for a comparative market analysis, or "CMA." They can show you the most recent listings and sold comparables, accurate to within hours or a few days at most.

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YOUR HOME'S VALUE

In a neighborhood of similar homes, why is one worth more than another? That's the question that's teased buyers and sellers for ages, but the answer is simple.

EVERY SINGLE HOME IS DIFFERENT

When a home is sold, a willing seller and buyer have just announced to the world the value of that home. From there other similar homes are benchmarked, but other factors come into play. The most important are:

Location - The closer to jobs, parks, transportation, schools and community services, the more desirable.

Size - Square footage impacts home values because they're built using more materials. In addition a larger lot size means more privacy from neighboring homes.

Number of Beds & Baths - Over time median homes have grown larger. Decades ago household members shared bedrooms and baths without complaint, but today families want more privacy. The median home purchased today is a 3 bedroom, 2 bathroom.

Features & Finishes - Features such as outdoor kitchens and spa baths make a home more luxurious. Finishes like hardwood floors and granite are going to cost more than carpet and laminate countertops.

Condition - The closer a home is to new construction, the more it will retain its value. It's perceived as more modern, up-to-date, and safer. Homes that are not updated or in poor repair sell for less. If possible, keep your home updated and in top repair.

Curb Appeal - From the street, the home looks clean, fresh, and inviting. Fresh landscaping and flowers won't change the size or location, but they certainly add charm.

When two homes are identical in the same neighborhood, a higher price may come down to something as simple as views, or paint colors, or the overall taste of the homeowner.

Valuing a home will never be an exact science, but if you buy wisely, keep your home updated and in good repair, you should recoup most if not all of your investment.

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