



**JOHN ELY**

# Annual Equity Reviews

Real Estate Reviews for Relationships



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JOHN ELY / ANNUAL EQUITY REVIEWS

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# Annual Equity Reviews

Real Estate Reviews for Relationships

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**Years in real estate: 8**

## 2021 Results

- ❖ Transactions: 64
- ❖ Volume: \$27,480,000
- ❖ GCI: \$708,504

## 2022 Jan to July (C&P)

- ❖ Transactions: 33
- ❖ Volume: \$21,558,380
- ❖ GCI: \$560,517

# By the **NUMBERS**

Annual Equity Reviews (AERs) that generate referrals:	18%
Percentage of Business Attributable to PC/SOI:	64%
Size of Database:	368
Numbers of AERs in 2021:	108
GCI from Database in 2021:	\$538,000
Number of AERs it takes to generate one listing:	5
Hours involved in each AER:	2

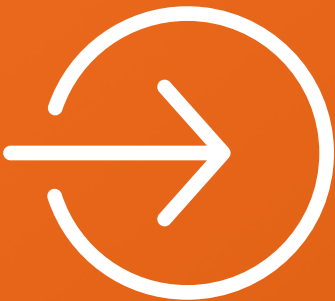
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# Why **ANNUAL EQUITY REVIEWS?**

A home is, for most people, their greatest asset. Just as people periodically review their investment portfolios, so they have interest in doing the same with their homes. Annual equity reviews give you an opportunity to start a conversation that positions you as their trusted real estate advisor.

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“The Playbook”  
John’s **APPROACH**

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# STRATEGY

John keeps it simple, so he calls them “Real Estate Reviews.” His goal is to build trust and solidify relationships. “If you do good by people, they’ll want to do good by you.”

John’s main goal when reaching out to his database is to provide value and help his clients think bigger. He incorporates into his presentation any information he knows about their current situation – for example, they may be approaching retirement or planning a major home renovation – and focuses his review accordingly.

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# PROCESS

- Create a BombBomb video that greets the client and gives them a brief snapshot of their home's current value and what that means for them. John uses Homebot to generate the numbers.
- Within 48 hours, follow up and schedule an in-person meeting to discuss the significance of their home valuation and to help them address real estate-related issues. While a real estate review can be done via Zoom, John prefers to sit down with his clients. After all, the purpose of the review is not only to provide professional input, but to build and maintain rapport, and for some people that doesn't work well through a screen.





# PROCESS

- Conduct the in-person real estate review with an eye to providing value. Since numbers only matter to the extent that they are parts of dreams and plans, ask questions that encourage clients to open up and share their thoughts and feelings.
- Ask for referrals.
- Follow up with a thank you letter.



# Setting Aside **ENOUGH TIME**

John blocks at least two hours for each real estate review – thirty minutes to gather all the data he needs, travel time, and then at least an hour for the conversation itself. Going over the actual valuation on the home may take as little as ten minutes for amiables, but considerably longer for analyticals. Be prepared to answer analyticals' questions – they'll want details.



# Asking for the **REFERRAL**

John's philosophy is that when you help others, they'll want to help you. If you've shown value and have had a relaxed conversation, you can naturally bring up referrals at the end. You're the go-to person for all things real estate, so let them know that you can help any of their friends and family as well.



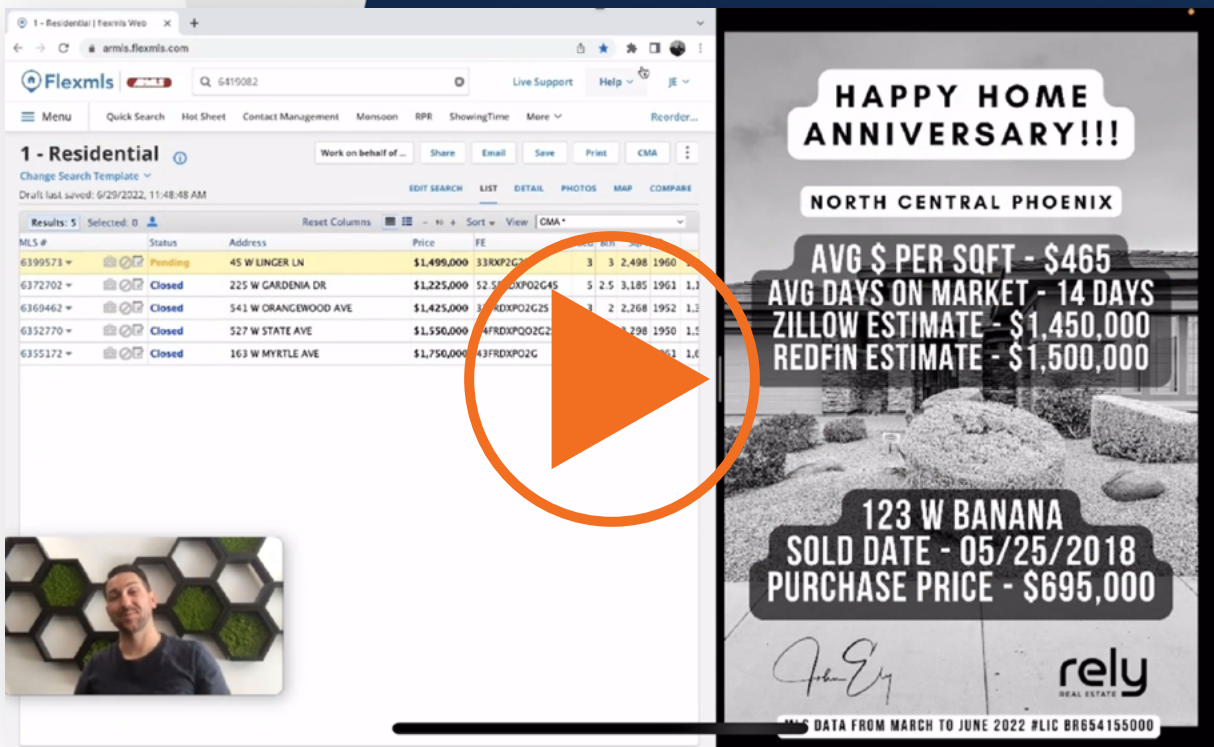




**“The Playbook”**  
John’s **TOOLKIT**

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# John's TOOLKIT



The screenshot shows the Flexmls web interface with a search results table. A video player overlay is positioned in the center, featuring a large orange play button. The video content includes a 'Happy Home Anniversary!!!' message for a property in North Central Phoenix, listing market statistics and a specific sale at 123 W Banana.

MLS #	Status	Address	Price	FE	Days	Area	Year	Lot
6399573	Pending	45 W LINGER LN	\$1,499,000	33RXP2G2	3	3	2,498	1960
6372702	Closed	225 W GARDENIA DR	\$1,225,000	525RXP02G45	5	2.5	3,185	1961
6369462	Closed	541 W ORANGWOOD AVE	\$1,425,000	33RDXPO2G25	7	2	2,268	1952
6352770	Closed	527 W STATE AVE	\$1,550,000	4FRDXP002G2	1	1	1,298	1950
6355172	Closed	163 W MYRTLE AVE	\$1,750,000	43FRDXP02G	1	1	1,161	1,161

**HAPPY HOME ANNIVERSARY!!!**  
**NORTH CENTRAL PHOENIX**  
**AVG \$ PER SQFT - \$465**  
**AVG DAYS ON MARKET - 14 DAYS**  
**ZILLOW ESTIMATE - \$1,450,000**  
**REDFIN ESTIMATE - \$1,500,000**  
**123 W BANANA**  
**SOLD DATE - 05/25/2018**  
**PURCHASE PRICE - \$695,000**  
*John Ely*  
**rely REAL ESTATE**  
DATA FROM MARCH TO JUNE 2022 #LIC BR654155000

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Watch



## APPRECIATION

HOW MUCH IS MY VALUE INCREASING?

Home **appreciation** is the increase of value in your home.

Real estate is an appreciating asset which grows in value over time. This measures the amount of value your home has went up over the last year.

### YOUR HOME'S APPRECIATION

**24% Year over Year**  
**18% Average Appreciation in Market Area**



## EQUITY

WHAT IS THE LOAN TO VALUE?

Home **equity** is a homeowner's interest in a home

It can increase over time if the property value increases or the mortgage loan balance is paid down. Put simply, equity is the amount of positive money you have in your home.

### YOUR HOME'S EQUITY

**\$199,750 - Gross Equity**  
**53% LTV**

"Your Home Has Almost Doubled in Value Since You Purchased It!"



## PROPERTY VALUE

WHATS MY HOME WORTH?

Property **value** is always changing.

Your home's value can be effected by a number of economic reasons. What other homes sell for in your neighborhood, the condition of the house, inflation, and the economy.

### YOUR HOME'S VALUE

**\$425,000**  
**\$415,000 - \$440,000**

Price Range in Neighborhood for last 90 Days





## YOUR MORTGAGE

STILL THE BEST LOAN FOR YOU?

Your **mortgage** is the loan you took from the bank to buy your house.

Your mortgage is comprised of principal, interest, taxes, and insurance. Interest rates change ever day and so does your equity. Reviewing your mortgage annually can help you lower your payments or pay off for your home early.

## YOUR MORTGAGE

**Current Loan**  
**Refi Conv. - Dec 2021 3.25% Interest Rate**  
**Do Not Change**

ANNUAL  
REAL  
ESTATE

## REVIEW NOTES

Rental Est. \$2,300 - \$2,450

"Have Comps Readily Available"

### Loan Recommendation

Refi last year, recommend no changes unless need to consolidate debt, or pull equity. If possible, hold off until next year

Refi Est. Value - \$410,000  
Re-Sale Est. Value - \$425,000

"Explain Difference"  
"Have Comps Readily Available"

### Real Estate as an Investment

- Cash Flow
- Principal Pay Down
- Appreciation (Rental & Value/Equity)
- Access to Equity (Long Term)
- Tax Advantages
- Setting Expectations

"Explain Owner Occupied Investing"  
Turning your current home in a rental

## Referral Script

Do you know anyone who would be interested in having one of these meetings? 75% of the people I help come from referrals and I'd love the opportunity to help any of your friends or family.

## Appointment Setting Script

Hey [CLIENT'S NAME]! I just wanted to say Happy Home Anniversary! June marks 4 years that you will have been at "123 Banana". Congrats...!!! I emailed you guys over a video about your home and some quick numbers on it now that you've been there for 4 years. I'd love to set up a time to chat when you have some availability to go over any questions you may have and get into some of the specifics. Do you have any time in the next few weeks to meet up?



## Key questions to ask during a review

- Ask about their plans with the house. Would they change anything? How long do they see themselves living there?
- Have them share their thoughts on their equity. What would they do with it?
- Have they viewed real estate as an investment before? (Share strategies for their situation.)
- Would anyone they know be interested in this type of a meeting?

## Follow-up Letter

Hi [CLIENT]!

Thank you for meeting with me the other day. I just wanted to take a few minutes to say... I appreciate you!

[Explain and be personal.]

I consider myself fortunate to have made friendships with people like you as it brings joy to my days and makes work fun. Without friends and clients like you my career would be empty.

Thank you for being you!

# 3 Things YOU CAN DO NOW

## 01

Create a template for doing your Annual Equity Review. John uses BombBomb and draws his numbers for Homebot. What will yours be like?

## 02

Remember that your goal in doing the equity review is to provide value relevant to your client's present concerns. That means listen before you speak. Before sitting down to your first face-to-face, do a couple role plays.

## 03

Ask for referrals.

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# 6 Things John will do **MOVING FORWARD**

**01** Annual reviews are an opportunity to make another deposit into the relationship, and being intentional with a personal touch is key. My team will log more information on life events into our CRM prior to their home anniversary by pulling information from social media.

**02** Follow-up is key, so I will activate an automated action plan within my CRM when engagement isn't logged. This action plan will allow me to be more consistent with my follow-up. The automated action plan will include the following: same-day text, 48-hour call, 7-day call, 14-day call, and 28-day call.

**03** To ensure my time is allocated more effectively, I will dedicate the last week of the month for a range of activities: video recording reviews and video emails for the coming month. This will allow me to focus on setting more appointments and have more intentional conversations throughout the month.

**04** To cut down on the time it takes for me to create the videos, I will work on removing written scripting and speak more naturally and personally. My goal is to be more engaging.

**05** Overhaul my handbooks for the appointments. I will use Canva to create a more professional and polished look that can be created in both print and digital copies.

**06** Work with my Tom Ferry coach to help me implement and hold me accountable!

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## JOHN ON COACHING

Since joining coaching with Tom Ferry, **I've had my mind opened to not only what's possible in real estate, but what I'm capable of.** Weekly sessions with my coach have gotten me to think bigger and more intentionally.