

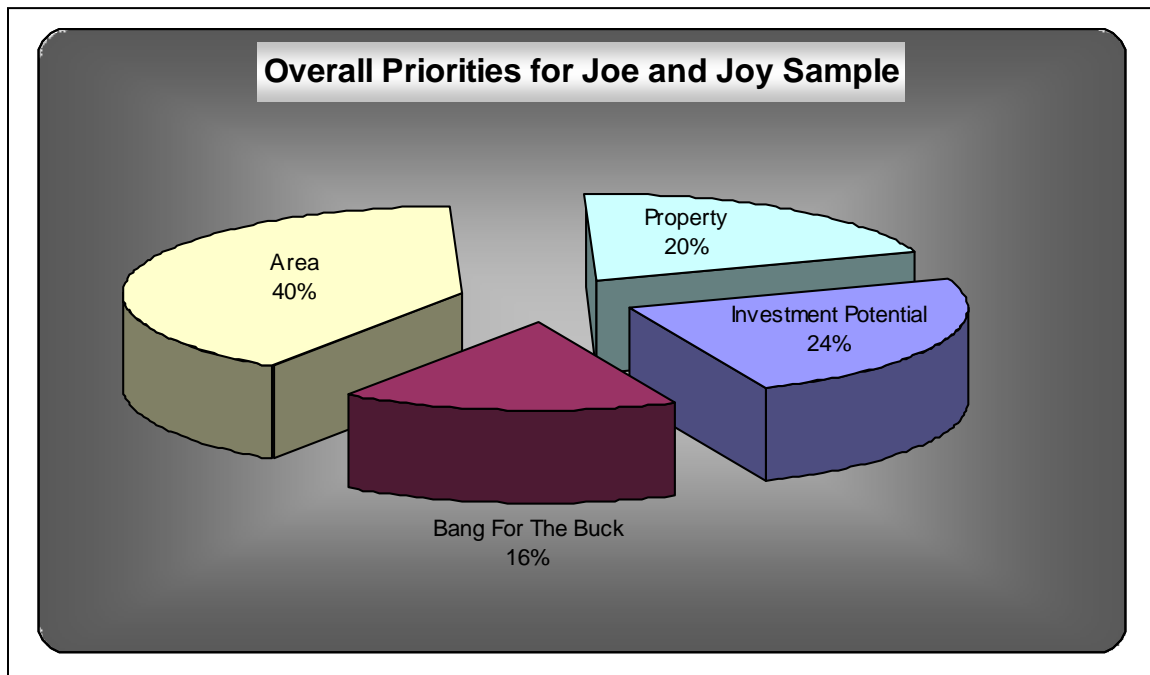
Best Fit Analysis For Joe and Joy Sample

Creating Your Profile

The first step is building a profile that reflects overall priorities. Overall criteria are categorized as follows:

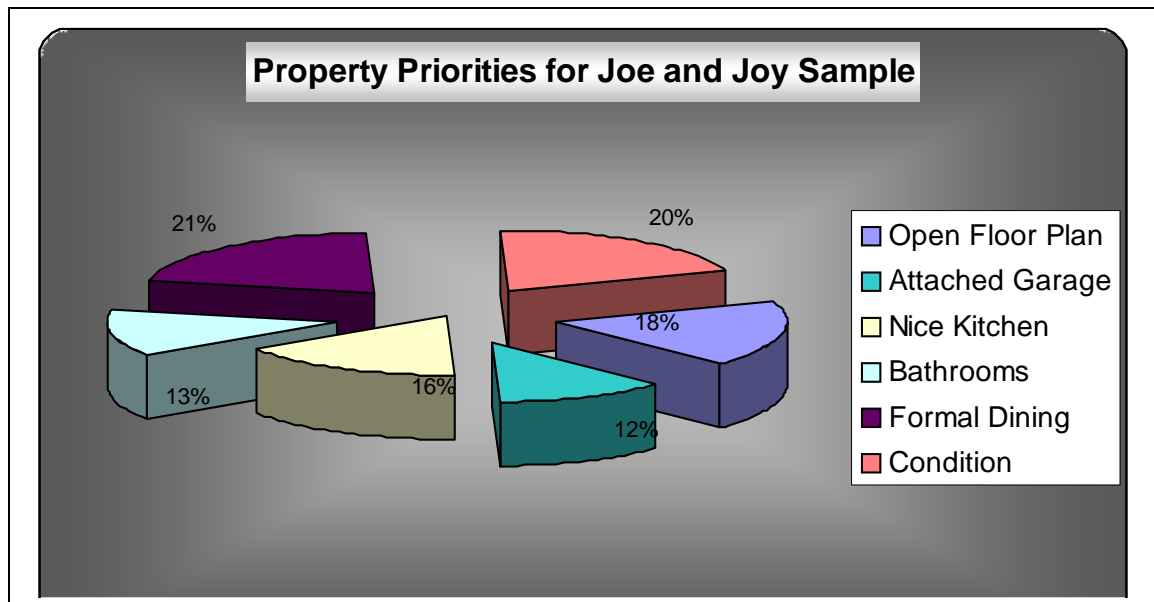
- ◆ **Property Amenities**
All aspects of the property, including bedrooms, bathrooms, floor plan, condition, square footage, type of house, the lot, garage/parking, livability, maintainability.
- ◆ **Location**
All aspects of the location of the property, including neighborhood characteristics, schools, noise, proximity to amenities such as shopping, transportation, recreation, and work; proximity to commercial, schools, rental properties.
- ◆ **Investment Value**
All aspects of investment value, including value relative to price, appreciation potential, proximity to higher valued properties, cash flow, cost of maintenance and improvement necessary, and future value based on anticipated changes from neighborhood improvements and zoning regulations.

Here is an example of an overall priority profile. In this example, the relative cost of the property was a very important consideration, so it was separated individually from other investment value criteria.



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The next step is to define your criteria for each of the categories, and their relative importance to each other. The following chart illustrates criteria and their importance for property amenities.



This step is repeated for location and investment potential. Once your profile has been created, it can be easily modified as you decide to include or exclude criteria, or change priorities.

In the above example, "bathrooms" is listed as an important factor. In this case, the buyer would accept a property with 1 bathroom, but 1.5 is better and 2 full baths is preferred. Therefore, a property with 1 bathroom would be considered a match but would have a lower score. A property with 2 bathrooms would have the highest score.

Matching Your Profile To The Market

Once your profile has been created, I match your profile criteria to available properties on the market in the areas you desire. Some areas may be more desirable than others. If this is the case, that criteria is reflected in your location profile. If there are no matches in your target areas within your price range, I expand the search to include other areas and higher price ranges.

The process of matching your criteria to the market may require previewing the property. For example, your definition of a nice kitchen may not be the same as someone else's definition. Once you have described your definition of a nice kitchen, prospective properties are evaluated relative to your definition (i.e., built-in dishwasher, upgraded cabinets and counter tops, pantry space). To the extent that a prospective property meets your specific criteria, it is a match.

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At this point you may decide to 1) consider other areas that have matches 2) increase your price range 3) go back to your profile to make your criteria less restrictive. Once you have done that, a set of matches will be identified that meet your criteria.

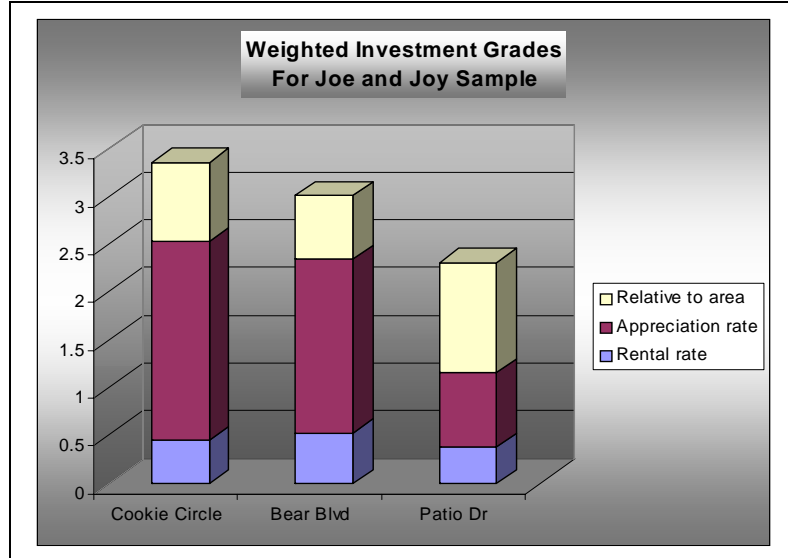
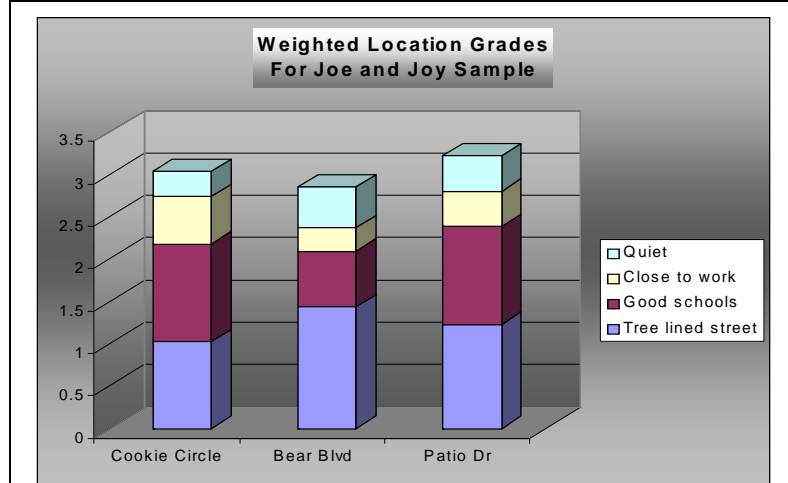
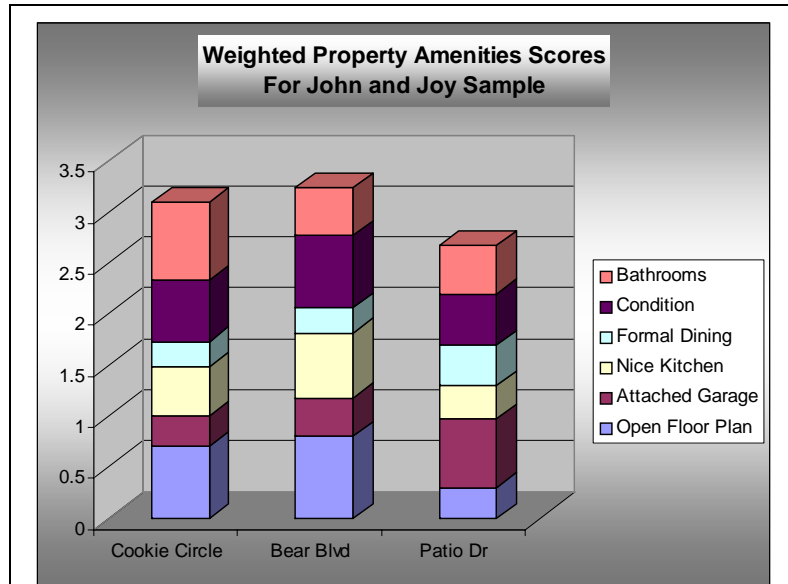
Finding the Best Fit For Your Needs

Sometimes there will be only one property that fits your needs. In this case, there is no need for further analysis. In many cases, there will be multiple properties that fit your needs, to varying degrees, with some properties better in some areas than others. In order to facilitate decision making, I will prepare a score card for you to grade the best fit properties after you have previewed them. An example of a score card is shown below. Grades are based on a scale of 1 to 5 and balanced so that the average is exactly 3 for each criteria.

	Cookie Circle	Bear Blvd	Patio Dr	Average
Property				
Open Floor Plan	3.5	4	1.5	3
Attached Garage	2	2.5	4.5	3
Nice Kitchen	3	4	2	3
Formal Dining	2.5	2.5	4	3
Condition	3	3.5	2.5	3
Bathrooms	4	2.5	2.5	3
Location				
Tree lined street	2.5	3.5	3	3
Good schools	3.5	2	3.5	3
Close to work	4	2	3	3
Quiet	2.5	4	3.5	3
Investment				
Rental rate	3	3.5	2.5	3
Appreciation rate	4	3.5	1.5	3
Relative to area	2.5	2	3.5	3
Cost				
List Price	4	2	3	3

In the example above, the property with the lowest list price was Cookie Circle, followed by Patio Dr., then Bear Blvd. If there are multiple decision makers in the buying process, they can collaborate to produce a single grade, or they can separately grade, then the grades can be consolidated by averaging them. In any case, the grades are fed back into the best fit analysis spreadsheet, which generates the following charts.

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The final step in the process is to aggregate the grades for each category, and apply the overall priorities. The result is a best fit analysis as shown in the chart below.

