

Market Qualification Checklist

Garbage comps = garbage ARV = bad offers. Qualify the market like a professional appraiser.

Appraisal risk is the biggest deal killer in RetailMax. A weak comp foundation on the front end becomes an appraisal kill on the back end. Some deals get walked because the data isn't there.

COMP STANDARDS — EVERY COMP MUST CLEAR ALL 8

- ☐ Bath count matches exactly — never comp a 2-bath against a 1-bath
- ☐ Bed count similar
- ☐ Square footage within 10% of subject
- ☐ Lot size within 10% of subject
- ☐ Year built within 10 years of subject
- ☐ Radius: half-mile first, expand to 1 mile — NEVER cross highways, train tracks, or school district lines
- ☐ Lookback: 3 months first, then 6 — absolute max 12 months
- ☐ Condition adjustments applied — as-is subject vs. rehabbed comps is a gap, not a match

Windows needing replacement = deduction. Patched roof vs. full replacement = minor deduction. Note every adjustment.

THE 3-TIER COMP PROTOCOL

CRITERION	TIER 1 - IDEAL	TIER 2 - ACCEPTABLE	TIER 3 - LAST RESORT
Distance	Within 0.5 mi	Within 1 mi	Up to 2 mi, same submarket
Sold date	Last 90 days	Last 6 months	Up to 12 months
Sqft	Within 10%	Within 15%	Within 20%
Beds/baths	Exact match	±1 with adjustments	Documented adjustments
Year built	Within 10 yrs	Within 20 yrs	—
Requires	3 minimum	Adjustments applied	OPERATOR SIGN-OFF

X Tier 3 only = the property is NOT underwritable with confidence. Flag the Closer before the appointment.

MARKET HEALTH — FLAG EVERY ISSUE THAT APPLIES

RISK TIER	DEDUCTION	FLAGS
PRICE RISK	10% each	Comps trending down >3% • Declining pocket
TIMING RISK	7% each	DOM over 60 • Actives >2x solds • Supply issues • Over 3 months inventory
CONFIDENCE RISK	5% each	Fewer than 3 comps • Comp spread >15% • No demand drivers
DEAL KILLERS	Walk it	Pending ratio under 20% • Distance from demand

- ☐ All applicable market issues entered in the Offer Calculator — deductions compound, don't cherry-pick
- ☐ Demand drivers verified: what actually pulls buyers to this pocket?

NON-NEGOTIABLE PRICING RULES

- ☐ Priced to go PENDING IN UNDER 14 DAYS — lowest on market vs. the 3 closest comps, 2% undercut
- ☐ Close in 45-60 business days
- ☐ \$30K spread target — \$20K absolute floor
- ☐ ARV = the comp average, not the peak — from Tier 1-2 comps only

LIST PRICE = ARV x Confidence Factor – Condition Adjustment – Appraisal Buffer

Confidence factor 0.95-1.00 by comp quality. Condition adjustment 0% (turnkey) to 15% (D-grade). Appraisal buffer 2-5% in most markets. Produce a low / mid / high range with a recommended anchor — the Closer adjusts in the appointment.