

## Working With a Seller



### EXERCISE SET - MATH— CALCULATING SALES PRICE & LISTING PRICE

Pg. 57 in Outline

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### CALCULATING SALES PRICE & LISTING PRICe



#1. Mrs. Seller received a net of \$265,000 for her house after the broker deducted a 6% commission. What was the gross sales price of this house?

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### CALCULATING SALES PRICE & LISTING PRICe



#1. Mrs. Seller received a net of \$265,000 for her house after the broker deducted a 6% commission. What was the gross sales price of this house?

- a.  $100\% - 6\% = 94\%$
- b.  $94\% * \text{Sales Price} = \$265,000$
- c.  $\text{Sales Price} = 265,000 / .94 = 281,914.89$

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**CALCULATING SALES PRICE & LISTING PRICE**



#2. While soliciting a listing, the owners tell you that they want net proceeds of \$125,000 from the sale of their home. A \$140,000 first mortgage will have to be paid off at closing. If they are willing to pay a 6% commission, what must the property sell for so they net their \$125,000?

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**CALCULATING SALES PRICE & LISTING PRICE**



#2. While soliciting a listing, the owners tell you that they want net proceeds of \$125,000 from the sale of their home. A \$140,000 first mortgage will have to be paid off at closing. If they are willing to pay a 6% commission, what must the property sell for so they net their \$125,000?

- a.  $140,000 + 125,000 = 265,000$
- b.  $100\% - 6\% = 94\%$
- c.  $265,000 / .94 = 281,914.89$

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**CALCULATING SALES PRICE & LISTING PRICE**



#3. The Seller family wishes to sell their house at a 14% profit on cost of their purchase price. They purchased the house for \$215,000. What would the sales price have to be in order to give the sellers this profit and also pay the selling broker a 6% commission on the sales price?

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**CALCULATING SALES PRICE & LISTING PRICE**



#3. The Seller family wishes to sell their house at a 14% profit on cost of their purchase price. They purchased the house for \$215,000. What would the sales price have to be in order to give the sellers this profit and also pay the selling broker a 6% commission on the sales price?

- a.  $215,000 + 14\% = 245,100$
- b.  $100\% - 6\% = 94\%$
- c.  $245,100 / .94 = 260,744.68$

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**CALCULATING SALES PRICE & LISTING PRICE**



#4. What was the net amount received by the seller from a sale in which the broker received a 7% commission of \$22,750? The following closing costs will also have to be paid: title insurance fee is \$1,975, other closing costs totaling \$2,825, and a first mortgage of \$175,000.

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**CALCULATING SALES PRICE & LISTING PRICE**



#4. What was the net amount received by the seller from a sale in which the broker received a 7% commission of \$22,750? The following closing costs will also have to be paid: title insurance fee is \$1,975, other closing costs totaling \$2,825, and a first mortgage of \$175,000.

- a.  $\text{Sales price} * .07 = 22,750$
- b.  $\text{Sales price} = 22,750 / .07 = 325,000$
- c.  $325,000 - (7\% * 325,000) - (1,975 + 2,825 + 175,000)$ 
  - a.  $325,000 - 22,750 - 179,800 =$
  - b. **\$122,450 Net Amount**

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CALCULATING SALES PRICE & LISTING PRICE



#5. On the sale of a house, Sally broker receives 7% of the first \$125,000 and 3% of any amount over the \$125,000. What was the selling price of the house, if her total commission on the sale was \$15,350?

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CALCULATING SALES PRICE & LISTING PRICE



#5. On the sale of a house, Sally broker receives 7% of the first \$125,000 and 3% of any amount over the \$125,000. What was the selling price of the house, if her total commission on the sale was \$15,350?

- a. Total commission = 15,350
- b.  $125,000 \times .07 = 8,750$
- c.  $15,350 - 8,750 = 6,600$
- d.  $6,600 / .03 = 220,000$
- e.  $220,000 + 125,000 = \$345,000$  selling price

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