

# Selling A House In A Buyers' Market

Ray Martin Suggests Strategies Offered By Real Estate Pros

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*It certainly isn't easy, but there are definitely steps you can take to make it easier, and **Early Show** money maven **Ray Martin** spells them out in this column.*

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As the supply of homes for sale continues to grow throughout the U.S., hopes that the spring and summer selling season will see a rebound are dwindling. Many experts have declared that any meaningful rebound might begin next year. Home prices continue to decline in many areas, fueled by tight lending standards and a rising supply of houses on the market. It's been a long time since home sellers have faced these conditions -- in fact, many homeowners looking to sell are in uncharted waters.

## Face the New Reality -- It's a Buyers' Market

Homeowners who want to sell have a choice: sell in the current market, or wait until later, when market conditions improve. Of course, the latter assumes they *can* wait. But if you are determined to sell, you need to forget about the real estate market of just a few years ago and face the new reality in many real regions -- it's a buyers' market, and you will be competing with a growing supply of motivated sellers to get buyers interested in your house.

Real estate professionals say that, when trying to sell your home in a buyers' market, the two most important factors, after location, are price and condition. I'll add flexibility. Buyers know real estate prices ran up far too much during the last several years of the real estate boom, and just because you may have paid too much for your home doesn't mean buyers think they should have to pay to bail you out. With this in mind, here are some of the strategies experienced realtors typically advise to help sell a house in a buyers' market:

**Price It Right:** Real estate pros say the key to selling a house is to "price it right." Set the price at what you can get, not what you think it's worth. The fact of a seller's market is that it doesn't matter what you or your realtor think your house is worth -- the only thing that matters is what a buyer is willing to pay. You don't want to over-price your house, because buyers ignore it and your listing will lose its freshness and appeal, not to mention the uncompensated effort of keeping the home spotless during the showings. Also, the "original listing price" and "current asking price" are on your home's Multiple Listing Service (MLS) listing; if you do not show some decline from the original offering price, some buyers will see it as a sign you have unreasonable expectations of what you can fetch for your home. Sellers fear pricing too low and leaving money on the table, but there is little danger of this. If a home is priced too low, far below the competition, you should receive multiple offers that will drive up the price to fair market value.

**Research Local Market:** The best way to know if your home is priced fairly relative to comparable houses for sale is to compare your asking price to a comprehensive market analysis. This is the first step before you list your house. Get the listings of the houses in your area, and the price range. Look at the listing for every comparable home that is or was listed in your neighborhood over the past six months. Compare similar properties, make adjustments for locations, age, upgrades and lot sizes, and come up with a range of values. Also, get a list of the recent sales prices and the original listing prices of comparable houses in the area. You can track this down on web sites such as [www.zillow.com](http://www.zillow.com), [www.realtor.com](http://www.realtor.com), and/or ask a local realtor to do it for you.

**Have an Internet Strategy:** Most buyers search the Internet and buy a home within 12 miles of their existing one - so use the Internet tools available in your area to see what the supply of homes for sale in your area looks like online. Also, if you are working with a realtor, don't choose to list with the one who suggests the highest listing price. Instead, select a listing agent who can back up his or her proposal with the most facts, market research and experience. When setting the listing price for your house, use round numbers, in increments of \$5,000. Most buyers use the Internet to search for a home. When searching by price, they typically search in increments of \$5,000. So, listing at a price of \$250,000 will turn up in more searches than listing at \$249,900.

**Make a Great First Impression:** Real estate pros often talk about “curb appeal.” Homes with it sell more quickly and those without it can languish on the market longer, further eroding the price buyers are willing to pay. Realtors often comment on the number of homes put on the market with little or nothing done to improve their curb appeal. One real estate pro put it this way: “Most buyers know the house is 'the one' when they see it the very first time; if they make a connection on the first showing, it's sold.” For this reason, doing what it takes to get your house in selling-shape is the second most important factor (after setting the correct price) if you want to get close to your asking price or sell as quickly as possible.

Some things you can do to increase your home's curb appeal and help it "show" better that don't take a lot of money include:

- Sprucing up the yard: Sweep the walk, mow the lawn, prune the shrubs, and clean up debris.
- Cleaning: windows, floors, carpets, kitchen, appliances, bathrooms, and even windows.
- Painting: front door, walls leading to entranceways, ceiling stains, cracked or chipping areas.
- Fixing or repairing: broken doorbell, leaky faucets, broken floor or counter tiles, door that don't close properly, and broken deck railings
- Organizing: all rooms, closets, and even the basement.
- Setting the Stage: Remove pets and litter box, light scented candles, play background music, rearrange and remove excess furniture.

The industry term for doing this is “staging a house” and, as you can imagine, it goes far beyond decorating and cleaning. But doing this can result in selling your home faster and getting a higher price, according to professionals who offer these services. If you don't have the time or would prefer to have someone trained and objective do this for you (after all, they will tell you to lose the bright orange paint in the kitchen!), ask your realtor to refer you to a professional home stager. Some realtors have earned the Accredited Staging Professional (ASP) designation and can do this for you. You can also learn more and locate a professional home stager at [www.stagedhomes.com](http://www.stagedhomes.com).

**Get a Pre-Sale Inspection:** Sellers are strongly advised to consider getting a pre-sale home inspection, especially if their home is older or in need of repairs. They can either use a clean home inspection report as a selling advantage or take care of the repairs listed on the inspection report. Of course, it's advised that you make the repairs before listing the home if possible, especially if they involve things that can be messy and unsightly, such as replacing the roof or removing an old fuel oil tank. But if you can't make the repairs, you can use the report to make estimates available to show potential buyers about the cost of repairs.

**Be Flexible:** In this market, buyers will expect to pay less than the asking price. They will be armed with the original list prices and final sales prices of comparable homes and will know the price reductions other sellers are accepting. Many buyers may make a low-ball offer to see what your reaction is. Remember this: Emotion is the enemy of flexibility, so keep emotions out of it. Your objective is to sell the house and, if a buyer is truly interested and able to buy your house, then there is a price they may be willing to pay and you may be satisfied to get. Don't simply reject their first offer. Instead, make a reasonable counteroffer and send the message that you want to work with them to close the gap between their offer and the price you need to get for the house. Also, ask the prospective buyer or his or her realtor what information was used to determine the price offered for your house and why they want to buy your house. For example, say the buyer's respond that the offer was based on comparable price per square footage for two other listings. If your house includes upgrades and a finished basement that the other listings do not have, include with your counteroffer an explanation of the cost of your upgrades and the additional value per square foot.