

## **Selling Your Home in a Down Market – Part 2**

*The following is a continuation of Selling Your Home in a Down Market, Part 1 (Sierra Star, May 7, 2009.) Previous article included: 1) Hire a competent, compassionate, and hard-working REALTOR®. 2) Do pre-inspections and make repairs. 3) Undertake the right projects if remodeling/upgrading home. 4) Stage the property (inside and outside of home). The remainder of the 10 things you can do to help sell your home in a down market is below.*

### **5. Set a realistic asking price.**

You don't want your home to remain on the market for a long time while you continually lower the price; therefore, price it right the first time. In a market where prices are falling, asking prices must fall too. This is a whole new concept for sellers right now. If there are properties similar to yours, you might want to undercut the competition and price your home below the area's most recent comparable prices. Setting an aggressive asking price attracts more prospective buyers to your door, discourages lowball offers, and saves negotiating time.

Ironically, homeowners who ask more for their homes tend to get less in the end. Studies show that if you price your home properly it will sell faster and at a higher price than if the home was priced aggressively. Setting the right price is key to selling your home as quickly as possible and maximizing your profit.

Pricing must also account for any deficiency that preparation can't overcome such as a home with one bathroom where two full ones would be the norm or window units instead of central air conditioning.

Don't be afraid to reduce the price, painful as that may sound. Reducing the price can attract new interest in your home and a whole new set of buyers in that new price range.

### **6. Consider offering incentives to buyers and/or agents.**

In a down market, buyers are looking for a deal, so do your best to make them feel they're getting one. Cash incentives will make your home look better. However, don't mix up incentives to buyers and their agents. Buyers focus on price and the home's amenities, so buyers' incentives should address those issues. Besides a low price, incentives for buyers include paying discount points to lower the mortgage rate, paying closing costs, or providing flexibility about the move-in date. Cash incentives are better than incentives such as a vacation get-away.

An agent incentive may not make a sale, but the little more attention given your home to stand out is a good thing. I believe the best agent incentives are either a higher commission (a half-point or a point to the commission) or a specific cash amount.

### **7. Market the home (beyond the MLS).**

Marketing the home is often an overlooked component of selling a home and the marketing plan of the home should be discussed between the seller and REALTOR®.

Part of a marketing plan should include the way your property is listed in the Multiple Listing Service (MLS). Photos are an extremely important component of the listing. Has clutter been removed from the photos? Was a wide-angle lens used? Are the photos too dark, too light, or blurry? Are the remarks targeting the right kind of buyer for your home? Review the MLS sheet after it is listed and make sure your home is presented well and the provided information is accurate.

Also, with almost 90% of buyers now looking for a home online, a virtual tour is an important marketing tool. Statistically, your home will be viewed more on the Internet than any other media type, including print media.

#### **8. Keep your home in show condition.**

Some buyers will come into town briefly to view properties. Often, buyers are only here for a day or so to select a home, so be as flexible as possible in allowing showings. You cannot sell your home if no one can see your home! It is essential that REALTORS® be allowed to ask to show your home with little notice.

#### **9. Be away during showings.**

Generally, the presence of sellers makes it difficult for prospective buyers to take their time or talk openly. REALTORS® recognize that this isn't always possible. If you do not leave the home during a showing, make yourself scarce. Sellers should not try to "show" the house to potential buyers unless specifically asked to do so.

#### **10. Don't be offended if you receive a low-ball offer.**

In today's market, it's important to take every offer seriously. Buyers are trying to see how low you will go. Thus, let your REALTOR® help you write a fair counter offer based upon the comparable sales in the neighborhood and not based upon the original offer.

#### **Other options?**

In conclusion, if your home is priced and presented well and is still not sold, you may want to think about renting your home if it is a viable alternative. First, consider if the amount of cash it will take to upgrade the home once the tenants leave is worth it. Because once the tenants move out, you should clean and paint again. If you don't, you will diminish the asset.

If you bought recently, your mortgage may be larger than what you can get for your home and, as a result, you have negative equity. If the rental market is holding up, you could rent out your home while you wait out the slump.

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