

A Home Selling Primer

By John Stemlar
Sage Real Estate Advisors

A strategy designed to sell a home quickly and at the highest price starts with understanding how buyers identify, qualify and purchase homes. Your listing agent's job is to market your property to capture and maintain the interest of qualified buyers as they work through their process of finding and purchasing a home. Success comes from your agent doing the right things and doing them competently, diligently and with attention to detail.

Correctly Pricing Your Home

A house priced to the market will attract more qualified buyers, sell quicker and will likely sell for more money than one that is over-priced. An over-priced property risks being missed in Internet searches, will tend to languish on the market and may ultimately sell for less than if priced correctly in the first place.

Serious buyers, through their agents, have access to quality market information. They know the selling prices of properties like yours, as well as the asking prices of houses that will compete with yours. A good listing agent will understand the competitive position of your home and present an honest and objective strategy for pricing it aggressively, but within a range supported by the market.

TIP: It is natural to want to list your home with the agent proposing the highest asking price. Many agents will over value your property simply to win your listing. Be sure your agent can support his/her listing price recommendation with sound market research.

CONSIDER: The real estate marketplace is characterized by the electronic matching of buyer criteria with property attributes, including listing price. In a price range search, an over-priced home will not pull up with homes of comparable value and will, therefore, continually be shut out of opportunities to compete for qualified buyers. An over-priced home will pull up among higher value homes; however, it will usually be dismissed by buyers as being inferior to the higher value homes that they want to see.

Hitting Buyer Radar Screens

Agents identify homes for their buyers through criteria searches on the MLS, on which over 95% of homes are listed. Buyers find homes the same way on public-access websites that pull (limited) MLS data. Electronic criteria searches are thorough, accurate and highly efficient as a means of matching buyers and homes; it is how agents and serious buyers identify the homes they want to see.

Quality input of MLS information is the key to your property *hitting the radar screens* of qualified buyers. If priced correctly and if the listing information is complete and accurate, all agents and buyers will find your home. However, if your home is not correctly priced, or if certain listing information is incomplete, inaccurate or misspelled, it may fail to come up in agent and buyer criteria-searches.

Listings with inaccurate (or misspelled) information are shockingly common. Because of its critical importance, your agent's company should have a *quality control procedure* to ensure that MLS listing information is input accurately.

CONSIDER: The *electronic real estate marketplace* renders open houses, print advertising, mass emails and other forms of *push* marketing increasingly irrelevant in terms of attracting qualified buyers. Most agents, however, see *client appeasement* and *self-promotion* value in these tactics and continue to promote them as important features in their *marketing plan*.

Enticing Buyers

In addition to matching your home to qualified buyers, the purpose of the MLS listing is to entice buyers to take the next step and visit your home to view it first-hand. The more compelling the presentation, the more likely your home will make a buyer's *must-see* list.

Photos and descriptive text in the MLS listing are typically your agent's only opportunity to make a *sales presentation* to agents and their buyers. Whether due to incompetence or indifference, many listing agents do a marginal job in crafting their MLS listings. A surprising number of listings include poorly chosen and/or amateurish photos (professional photography is a must). Weak and/or poorly-written *selling* text is common. Before listing your home with an agent, ask to see examples of his/her other listings as they appear on the MLS.

CONSIDER: Agents often *activate* MLS listings with only basic information, sometimes delaying adding photos and text for days. A home gets the most concentrated MLS exposure within 24 hours of listing (due to automated listing alert services). Many agents and buyers will pass over a photo-less listing and never view it again. Savvy agents know to complete a listing with photos and text prior to activating it in the MLS.

Attracting an Offer

Buyers *captured* by your listing and compelled to tour your home have qualified it for potential purchase based on its price, location, features and visual appeal. From this point on, however, the property must be positioned to sell itself when toured by prospective buyers.

The easier it is for buyers to envision themselves in your house, the more likely they will want to make it their home. Buyers will look for function (over which you have little control), quality, value and an appeal that distinguishes your home from all other contenders. It is wise to invest time and money (if necessary) in creating a clean, well-cared-for and uncluttered appearance. *Staging* your home to some degree is usually helpful.

For more information and tips on making your home show its best, ask a Sage Associate for the following publications: *Preparing Your Home for Sale*, *Welcoming Buyers* and *Home Staging Basics*.

Listing Management

Professionally marketing a home goes beyond a listing and a yard sign. It is a dynamic process that includes monitoring competing listing and sales activity, soliciting agent showing feedback and even making seasonal updates to listing photos. Sometimes it is necessary to adjust strategy and revise listing information and/or price based on showing feedback and changes in market conditions.

TIP: Many agents are quick to recommend a price reduction when buyer traffic is slow. Reducing your asking price will not create buyers. The best strategy is to price your home correctly from the start to capture qualified buyers currently in the market and new buyers as they enter the market.

Contract Negotiation and Transaction Management

Selling your home is a serious legal and financial transaction. Quality agent *representation* requires skills and savvy beyond simple marketing competency. An agent's negotiation and transaction management skills are at least as important as his/her home marketing skills

TIP: The stronger your agent's transaction skills, the better the results you can expect. In interviewing prospective listing agents, look for proven transaction experience.