

# Tips for home sellers

## Common mistakes home sellers make

### 1) Basing asking price on emotion rather than market value

Many times sellers base their pricing on how much they paid for or invested in their home. This can be an expensive mistake. If your home is not priced competitively, buyers will reject it in favor of other larger homes for the same price. At the same time, the buyers who should be looking at your house will not see it because it is priced over their heads. The result is increased market time, and even when the price is eventually lowered, the buyers are wary because "nobody wants to buy a house that nobody else wants". The result is low offers and an unwillingness to negotiate. Every seller wants to realize as much money as possible from the sale, but a listing priced too high often eventually sells for less than market value.

### 2) Failing to "Showcase" the home.

A property that is not clean or well maintained is a red flag for the buyer. It is an indication that there may be hidden defects that will result in increased cost of ownership. Sellers who fail to make necessary repairs, and don't spruce up the house inside and out, and fail to keep it clean and neat, chase away buyers as fast as Realtors can bring them. Buyers are poor judges of the cost of repairs, and always build in a large margin for error when offering on such a property. Sellers are always better off doing the work themselves ahead of time.

### 3) Over-improving the home prior to selling.

Sellers often unwittingly spend thousands of dollars doing the wrong upgrades to their home prior to attempting to sell in the mistaken belief that they will recoup this cost. If you are upgrading

your home for your personal enjoyment - fine. But if you are thinking of selling, you should be aware that only certain upgrades are cost effective. Always consult with your agent BEFORE committing to upgrading your home.

#### **4) Choosing a Realtor for the wrong reasons.**

Many homeowners list with the agent who tells them the highest price. You need to choose an experienced agent with the best marketing plan to sell your home. In the real estate business, an agent with many successfully closed transactions usually costs the same as someone who is inexperienced. That experience could mean a higher price at the negotiating table, selling in less time, and with a minimum amount of hassles.

#### **5) Using the "Hard Sell" during showings.**

Buying a home is an emotional decision. Buyers like to "try on" a house and see if it is comfortable for them. It is difficult for them to do if you follow them around pointing out every improvement that you made. Good Realtors let the buyers discover the properties on their own, pointing out only features they are sure are important to them. Many sales are lost by overselling. If buyers think they are paying for features that are not particularly important to them personally, they will reject the home in favor of a less expensive home without the features.

#### **6) Failing to take the first offer seriously.**

Often sellers believe that the first offer received will be one of many to come. There is a tendency to not take it seriously, and to hold out for a higher price. This is especially true if the offer comes in soon after the home is placed on the market. Experienced Realtors know that more often than not the first buyer ends up being the best buyer, and many, many sellers have had to accept far less money than the initial offer later in the selling process. The home is most sellable early in the marketing period, and the amount buyers are willing to pay diminishes with the length of time a property has been on the market. Many sellers would give anything to find that prospective buyer who made the first and ONLY offer.

## **7) Not knowing your rights and obligations.**

The contract you sign to sell your property is a complex and legally binding document. An improperly written contract can allow the purchaser to void the sale, or cost you thousands of unnecessary dollars. Have an experienced agent who knows the "ins and outs" fully explain the contract you are about to sign, or have your lawyer help you.

## **8) Failure to effectively market the property.**

Good marketing opens the door that exposes the property to the marketplace. It means distinguishing your home from hundreds of others on the market. It also means selling the benefits, as well as the features. The two most obvious marketing tools (open houses and print advertising) are only moderately effective. Just 1% of homes are sold at open houses, and advertising studies show that only 3% of people purchased their home because they called on a print ad! Agents use these tools to attract future prospects, not to sell the house. The right agent will employ a wide variety of marketing activities, emphasizing the ones believed to work best for your home.