

Why Don't All Real Estate Listings Sell?

Many property listings (houses *and* investment properties) come off the "active" Real Estate market *before* they go "under contract" (sell). Some listing contracts *expire* (the time runs out); others are *withdrawn* by owners (they have decided to stop trying to sell it at the moment *or* they have decided to change agents). There are a *number* of possible reasons why a property has not sold (a number of sales will fall through for financing or inspection issues. My focus here is on properties that receive no serious offers). Some may blame a lack of activity/ offers on being in a "buyers' market", meaning that there are too many houses/ properties to sell (supply *exceeds* demand) at a given time. Perhaps interest rates are high or mortgages hard to get. Maybe it boils down to the quality of the competition: when a Seller chooses their "asking price" they pick their competition. *Whatever* the possible reason(s), an owner may still **want** or *need* to sell! If this were **YOUR** situation, *how* would you "tilt" the playing field in your favor? What is the co\$t of waiting to sell a property?

There are generally **two reasons** why Real Estate does not sell: one is **over-pricing**; the other is **poor marketing**. **Every** house has a price at which it will sell: *effective* marketing will get you there faster!

Over-pricing a property creates several potential problems. The **main** one is that an "above market" price may prevent potential buyers and agents from even finding a property in their *search* results (are they searching high enough?). A high price may also "position" a property against competition that offers more in terms of location, features and/ or condition for the same money. Pricing is meant to "tie together" those three aspects: there has to be symmetry. **You may get showing appointments but a lack of interest/ offers *might* indicate that other similarly priced properties offer *more* features OR that their location or condition is perceived as being *better*.** In a buyer's market there are simply too many other properties to view and compare so buyers will eliminate as many from their "list" as they can using whatever means necessary. A high asking price may quickly eliminate a property from further consideration (do NOT count on being able to negotiate!). If you do sell, there may be an appraisal problem. The good news is that over-pricing can be fixed: an *effective* price reduction (there is so much more to this than giving away money!) will get noticed by agents and buyers and will generate interest and showings. **See below** for a more thorough explanation. Proper pricing requires an *ongoing* strategy with communication.

Poor marketing is inexcusable. The primary medium that agents use to market Real Estate is the multiple listing service (MLS). The MLS "*syndicates*" its information to the Internet so whatever is in the MLS is very important. Over **40%** of buyers *start* their property searches online and over **90%** of buyers will continue to "shop" online even after hiring an agent. The MLS printout is like a resume: if it is not accurate, prospective buyers may NOT be able to find a property that might meet their needs. Searching for Real Estate is like doing a Google search: garbage in, garbage out. Poor marketing may keep a property on the market longer than necessary, raising the "days on the market" (DOM) and the "property marketing period" (PMP). Both of these may lower the "perceived value" of a property as buyers start to wonder what is wrong with a property that hasn't sold? Many Sellers reduce their asking price when it may have been *completely unnecessary*.

I show my clients how I am marketing their homes and investment properties and commit to **NEVER asking for a price reduction unless I can justify that the asking price is THE problem.** My job is to "protect and promote *their* interests": keeping their money (proceeds) in their pockets is my goal! Many Sellers never question the marketing and find out too late that it was ineffective. That can be a co\$tly mi\$take!

When a listing contract ends the Seller is given a *fresh* opportunity to restart the marketing process or, at the very least, to review their options. Some Sellers will stay with the same agent (doing the same thing over again and expecting different results does work *sometimes*) or, in frustration, keep their house off the market "waiting for a better time to sell". What a shame: the cure may be as simple as changing the marketing!

I recommend that Sellers know when their listing contract will end (many lose sight of this important date; others may not have a copy to look at!), stay involved in the details (many have never seen their MLS printout or *searched for their own property online*) and fully evaluate their situation to make an informed decision if there is a "next time". Many listings "expire" or get "withdrawn" once. When it happens more than once it could raise a "red flag" that may actually keep potential buyers away. Buyers may fear what they don't know about a house or neighborhood and stay away. An "ounce of prevention" goes a long way.

Contact me to discuss how I can help you sell your property.