

## MOTIVATION: THE TRUTH ABOUT SELLING YOUR HOUSE

When you decided to put your house on the market you had every expectation of getting the highest possible selling price in the shortest period of time. You knew all too well what you paid for your house, what you still owe on it, why you chose this particular house and location, what you spent to improve your house and what the other houses in your area look like (and sold for). You probably even have some sentimental attachment to your house. In spite of all of this, you have decided to sell.

Unfortunately, no one seems to want to buy it! In fact, few are even looking or telling you what they think. Why is this happening? Let us examine what is likely to be occurring and, more importantly, how to change this. This is NOT rocket science, but it can be very frustrating.

Obviously, you are entitled to sell your house. Life provides a variety of circumstances which can lead to (or even dictate) a decision to sell. We call this "seller's motivation". The greater the motivation, the greater the urgency. Highly motivated sellers are usually much more realistic in terms of their approach to the marketing process and this usually means that they have a reasonable "listing price" because they want or need to move yesterday! They may even have to leave before they sell and will "carry" two mortgages. Some can't take a second mortgage and are forced to stay until they sell. Others aren't really motivated to sell, but are testing the waters. These houses are usually overpriced because there is no real urgency. Where do you fit into this: are you more motivated *more* by getting your price or by selling within a specific time frame?

If you have a real desire to sell, there are several things that you can do to generate the interest you need to produce a sale! Fortunately (or unfortunately, if you don't pay attention to what I am about to tell you), selling any house depends on doing the basics well (anything less will lead to a longer marketing time and a lower selling price) and knowing how marketing REALLY works. These statements are true because today's buyer is much better informed than ever before about the market and your house is essentially a product on the market like any other house. Buyers do not care about anything other than whether your house will satisfy their wants and needs and how much your house will cost them compared to the "competition".

Most buyers today are going to be represented by their own agent and they will know what comparable houses are selling for (what they are "worth"). The MLS will help them quickly locate all of the houses that match what they are looking for and are willing or able to spend. Therefore, there is no time to waste with a high "listing price" (price is the only variable that you have control over. See my article "How Long Does It Take To Sell A House?"). Buyers will shop for the most house for their dollar and will not waste their time trying to figure out what your "bottom line" is (if they ever actually see your house). Overpricing leads to a lengthy stay on the market, wasted expenses (how much does an empty house cost? How much more will you have to spend if rates go up by the time you sell and, if you are buying another house, what will your next house cost?). Nothing diminishes a house's perceived value more than time spent on the market. In some areas, a house's value may depreciate faster than the owner's equity will rise! This, combined with paying your taxes and related expenses, could mean that time will erode any "gain" or increase your "loss" when you do eventually sell.

Let us examine what sells houses (refer to my article "The Five Steps to a Sale"). There are only three (3) things that you need to sell your house: a marketable product (I have several printouts pertaining to this specific subject), a motivated/willing/qualified buyer and ME! My role is to "introduce" your house to the Real Estate community and represent you every step of the way by educating you, advising you, preparing you and protecting your interests. If any of these three is missing, you may be in for a lengthy process and a lot of frustration. Let us look at the three things in more detail to see how the puzzle pieces fit.

There are four (4) real ways for a buyer to find the right property for their needs: they can drive all over town looking for "For Sale" signs, they can read every newspaper, they can look at every Internet web site or they can call a Realtor. Surveys show that houses are sold primarily through the Multiple Listing Service (the MLS is the **#1 medium** for uniting sellers and prospective buyers. It exceeds all others combined), so using a Realtor is the preferred route. "For Sale" signs, the Internet and newspaper advertising are way down on the list! Whatever your house has to offer must be accurately portrayed in the MLS so that buyers and their agents can find it. The automatic email prospecting program will notify new buyers of your listing information.

Let's examine these three first. If a prospective buyer has the time to drive all over town (presuming that they know where they want to live), sees your sign and likes your "curb appeal", they will call to inquire about your house. Unfortunately, over 90% of these calls never progress beyond this point. Why? Most calls, regardless of origin, are actually made to eliminate properties from consideration! When someone calls about a sign, the most valuable information is unknown: price and features! Studies have shown that most consumers underestimate the list price and are shocked to find out the real price. Many times the caller will find out that the property does not offer the features that they want or need anyway. While many sellers and some areas won't allow us to put up our signs (preventing prospects from calling!), sign calls do allow our phone to ring so that we can "qualify" the caller. This process involves determining what they need and what they can afford. From a simple conversation we can learn and give out a great deal of information. It is important to work with a Realtor who can make their own phone ring and is trained to qualify "suspects" so that your house can become part of the conversation, regardless of which property originally appealed to the buyer!

Advertising is much weaker than the yard sign but does make the phone ring. If the buyer does not like your picture, location, price or features: no call! Even if they do call they will usually learn something which eliminates your property from their wish list (such as the address)!

While the MLS supplies your listing information to the Internet, the data is not well maintained: when most buyers call me to find out the addresses of the properties that they like, they usually find that the property was sold or withdrawn from the market weeks ago! The flip side of this is that it often takes quite a while for your "brand new" listing to actually make it onto the Internet!

Here, then are the basics:

- unless you really know what you are doing AND can efficiently and effectively handle all of the details, plan on using a Realtor;

- a Realtor must accurately determine what the market price is for your home so that buyers will want to see it;
- a Realtor must accurately put your information into the MLS. If anything is wrong, buyers may never have the chance to see your MLS printout. Think of the printout as your resume. Agents will search for listings based on what their clients are looking (in terms of features, location and price). The MLS will produce results that match what the agent searched for and will also provide information automatically to prospective buyers. Ask me about “errors” that kept some houses a “secret” to buyers;
- based on what buyers see in your printout, decisions will be made about which houses to visit. Usually buyers will drive by first to evaluate the neighborhood and your exterior. Curb appeal will either determine whether they ever see inside or how they feel before your door opens;
- once inside, buyers will compare your house to others that they see;
- Realtors should attempt to get feedback. In addition to having my appointment center send an email requesting feedback after an agent shows one of my listings, I will *personally* call them to thank them for taking the time to visit and ask them for their opinion (unfortunately, most agents will never supply feedback!). Generally, if a buyer is interested, their agent will call first. However, there are occasions where a listing agent can establish a rapport and even encourage the buyer to make an offer. At worst, you may hear something that will prevent others from making an offer!

The bottom line is that Real Estate is not magic. The sad truth is that it is very easy to get a Real Estate license (it is much easier than buying a house) and there are too many agents who do not do the basics well. Make certain that you really understand the process, choose an agent who knows what they are doing and one who makes you feel comfortable and confident!

Of course, I hope that you will contact me to discuss your plans!