

3 Tips for the First-Time Home Seller

By Dana Dratch



RISMedia, June 14, 2011—Today's buyer-take-all bonanza is a boon for fence-sitters and buyers with great credit and deep pockets. But sellers are steeling themselves to new realities that include paying (rather than making) money at the closing table, providing extras to sweeten the deal, and spending more time and cash making the home camera-ready.

For first-time sellers who have never been through the process before, it's a different world. One where the value of the house isn't measured in the profit made on the sale, but by the enjoyment the owners had from living in the home.

Here are three things experienced sellers would tell you, if they could.

Price it realistically from the start

"Your largest number of showings will occur in the first two to three weeks," says Mark Ramsey, a broker in Charlotte, N.C. One reason: "The (multiple listing service) systems and the Internet tend to drive the majority of showings," he says. Many buyers are plugged in electronically. So the minute something new pops up that meets their criteria, they want to see it.

Take advantage of that sweet spot by pricing the house competitively right out of the gate, he says.

When first-time sellers James and Emily Foltz put their Oklahoma City home on the market last summer, their agent gave them a comprehensive list of the initial asking prices of nearby homes like theirs, along with the final selling prices. "Some varied by \$30,000," says James Foltz.

It gave them an X-ray of their market.

How you style the price is important. The Foltzes first marketed their home for \$155,000. But lowering it to \$150,000 meant the listing appeared within the computer search parameters that buyers commonly used in that price range, Foltz says.

The result: A few weeks after the price change, they had a winning offer.

Be prepared to lose some money

Want to sit with a house that won't move? Be the first-time seller who insists you can get the appraised value, the tax assessor's estimate or whatever you paid a few years ago.

"It seems like there's no relationship between your assessed value, taxable value and the actual market value of our house," says Pat Vredevoogd Combs, past president of the National Association of REALTORS®. "There doesn't seem to be any correlation."

The truth is that your house is worth what buyers are willing to pay. No more. “This is a true market that Adam Smith would have loved—totally based on supply and demand,” Combs says. That means many buyers should be prepared to lose some money or hang onto the home until the price rises.

“We did end up taking a loss,” says Foltz, who wrote a check for \$3,000 at the closing table. The good news is that the couple sold their home in less than two months.

Beware the agent who promises big profits, Combs says. That person may just be after your business. “Don’t go with anyone who doesn’t use comps,” she says. And study sales prices, not asking prices, for real estate.

Promotion, promotion, promotion

One question to ask yourself and pose as you interview agents: How will you reach the home’s target market?

“You have to consider who your most likely buyers are for what you’re selling and cater to that group of people,” Ramsey says.

Targeting 20-somethings who live on their smartphones? You need to effectively access the networks your buyers are tapping to find their next home. One big trend: QR (or “quick response”) bar codes that allow smartphone users to access property information electronically, he says.

The typical starter home can also appeal to downsizing empty nesters, says Ramsey. To serve their needs, you might also want to have a phone number that instantly reaches someone who can provide details and answer questions, he says.

And don’t neglect the modern version of curb appeal: using lots of photos on real estate listings’ websites. However you market your house, you need a good number of clear, well-lit, professional-quality pictures that show your house at its best.

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