

Seller Mistakes in 2005

In 2005 the residential real estate market was filled with anticipation of the over-hyped real estate bubble. Though we will probably only see a small correction, home sellers made some mistakes that those looking to sell in 2006 can learn from as they put their homes on the market this year.

Sellers

Over-priced home. Think back to bragging sellers everywhere you went a year ago. Home prices were the favorite cocktail party subject. Everyone was getting rich. The market was climbing at unheard of gains. It was typical for home sellers in 2005 to over-price properties and they did it in record numbers. After market times began to lengthen, the realization set in that it wasn't the same market as '02.'03 or 2004. Realistic pricing needed to be based on sold comparables from the last six months and not just based on raising one's price dramatically from the last sale in the neighborhood.

No Internet property marketing. According to The National Association of Realtors® over 70% of all home buyers start their search on the Internet before contacting a real estate agent. Require any agent you list your home with to post a virtual (360 digital) tour and a minimum of eight indoor and outdoor photos on the Internet. CD's of your home are a great take-away for open houses. An agent without a good interactive website will not capture the online buyer.

Stopped showings too early after contract. With a shift towards buyers for the first time in years, buyer's remorse was on the upside in 2005. Many sellers lost valuable market time when taking their home off market too early after signing a purchase contract. Continue to show your home until you feel very comfortable that your buyers intend to go forward to closing and at least until all contingencies have been removed, in writing.

Refused to pay buyers closing costs. For the first time in many years, buyers based on their strength in the market, asked for and received give-backs from sellers. Closing costs and points on mortgages were the most popular. Decide before offers come in, what your strategy is for dealing with give-back requests. In 2006 owner-financing may be the next buyer perk.

Exclusion confusion. As prices dropped, sellers began to strip fixtures and amenities in contract negotiations. Forget "if the price is right" and take down and replace a treasured chandelier and remove the Victorian mirror before you place your home on the market. Some simple ratios of home list price versus chandelier cost will convince you to not get distracted by personal property or must-keep fixtures.

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Knowing your market and competition. Buyers in 2005 were more savvy than ever before with market times and available inventory. Most of them were getting a lot of important information from the internet. Home sellers who were out-of-touch failed to spend the time needed to visit competing properties, public open houses, and did not really "listen" to the market. No or few showings, no second showings or purchase offers and unfavorable feedback indicate market issues with your home. Don't be the obstacle to selling your home. No showings + no offers = OVERPRICED.

Paid transaction fees on top of full-service commissions. American business is in love with extra fees that they charge if you don't ask to have them waived. In 2005 transaction fees became standard in listing agreements. No matter what you are told, they are just another revenue source for brokerages. It's excessive for brokerages to ask for another \$300.00 on top of 5-7 percent commissions from home sellers. Either ask to have them waived or have the listing agent pay them.

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