

Selling Your Home in a Down Market – Part 1

Selling a home in a down market requires extra work. You should do everything you can to get your home in excellent shape and be prepared to make some small concessions at closing. The tips below will increase the odds of getting your home sold. Here are 10 things you can do to help sell your home in a down market.

1. Hire a competent, compassionate, and hard-working REALTOR®.

Do your research before choosing an agent. (See my article *Buying a Home Made Easy, Part 1, Sierra Star, April 23, 2009*). An agent should provide you with comparable sales in your neighborhood, homes for sale (your competition), homes in escrow, recent statistics and trends, other information as may be applicable to your home, as well as a realistic asking price or price range for your home depending on available comparables and the condition of your home.

2. Do pre-inspections and make repairs.

A successful home sale begins before the house is listed. The idea is to have the home in move-in condition and to give potential buyers the impression that rather than spending time and money fixing it up, they can move right in and start enjoying their new home. Buyers generally never want to buy a home that needs a lot of work unless it's an absolute bargain.

Consequently, before you list your home, hire a home inspector for a few hundred dollars (the price generally depends on square footage). It can be used as a reference or guide to determine whether you should make some or all repairs listed in the report. It can also act as a disclosure for an “as is” sale.

This gives you the time upfront to obtain estimates for the cost of repairs rather than reacting or responding to a buyer request after your home is in escrow. You can use those estimates to decide whether you want to make the repairs now or to frame the discussion with buyers either before an offer is made or after buyers have obtained their own inspections. If you're inclined to leave your home as is, prepare to reduce your asking price.

Additionally, pest, roof, and septic professionals should be considered, depending on your situation. Water quality and quantity testing may also be prudent especially if you have a well. Most mountain-area agents will recommend that a Madera County mountain water panel test be done as it can take over a month before you receive all the results. Your agent may also suggest other inspections for your consideration.

3. Undertake the right projects if remodeling/upgrading home.

If you decide to do more than make repairs, than improvements should be practical and use colors and designs that would appeal to the widest audience. However, while it can pay to spice up your home, don't over improve it. If you're going to invest in renovations, do your research and be sure to put your money into the things that are likely to get you the best return.

The projects that should take priority are those that will protect your home from deterioration and damage, like roof replacement and plumbing and electrical upgrades. Although such improvements don't do much to beautify your home, they will help preserve its value. In addition, given the rising energy costs, buyers are now looking for energy-efficient improvements like new windows.

Be careful when remodeling and upgrading as these investments rarely pay for themselves. Even kitchen and bathroom remodels, usually considered the most profitable improvements to undertake, may return only 50 to 75 percent at sale.

4. Stage the property (inside and outside of home).

Staging a home is becoming increasingly important. (See my article *Does Your Home Attract Potential Buyers*, *Sierra Star*, December 25, 2008). If you don't know how to properly stage your home, it might be worth bringing in a professional who will do this for you. Many agents believe that a professional stager can make a home sell faster; thus, hiring one deserves some consideration.

An important part of the staging process is clearing out clutter, keeping the house smelling pleasant, and generally maintaining a very neat, well-kept home. You need that property to look as good as it can. Don't let people come in and just imagine what the home could look like. People say they can imagine it, but few really can. You want them to come in and fall in love with the home.

Staging might include removing some furniture or moving furniture to make rooms look bigger, putting away family photographs and personal items, and deep cleaning (in some cases including the carpets and window treatments).

In some cases, an agent might recommend that you videotape your home, both inside and out, and watch the tape as if you were a prospective buyer. Sometimes seeing your home how others see it, can be helpful in determining what needs to be done.

Keep your yard tidy; it's one of the first things potential buyers see before entering your home. First impressions are everything. If your grass isn't green, make it green. If you have weeds, get rid of them. If the shrubs are overgrown, cut them.

Part Two will continue with: 5) Set a realistic asking price. 6) Consider offering incentives to buyers and/or agents. 7) Market the home (beyond the MLS). 8) Keep your home in show condition. 9) Be away during showings. 10) Don't be offended if you receive a low ball offer. Also, is renting a viable option for you?

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