

Expired: How To Sell A Home That Did Not Sell

SOME HOUSES DON'T SELL—AVOID THE FOUR BIGGEST MISTAKES THAT WILL COST YOU THOUSANDS.

You put your house up for sale and what happened? The listing expired without a sale. And now you're wondering what went wrong...

Like all homeowners, you hoped your house would sell quickly. Some houses do. In fact, *when done correctly*, the majority of houses are sold during the initial listing period agreed to by the seller and Realtor, usually selling in less than three months.

But—as you've found out—some properties don't sell. In some tough markets, as many as two thirds of the listings expire unsold.

What should you do now? If your listing has expired and now you really want to sell. Don't get depressed by the poor results of the first listing. It just might be that your home is one of the more desirable homes on the market and that sale you want might still be in reach.

Are You Committed To Selling?

First, take a step back and review your decision to sell. Do you still want to move? Although you may feel discouraged, if you still want or need to sell, make a renewed commitment to do what it takes to market the house effectively.

Next, find out precisely what went wrong. An expired listing usually reflects a problem in one or more of four major areas: *communication*, *price*, *condition* or *marketing*. Examine these four points and then ask yourself again do I really want to move?

What I try to do for my clients is to give them all the information they need to make *an informed decision*. You see, if you are going to list your home, you are going to have to do some work, spend some time and money and if you are not well informed on what these commitments to sell might be, then you will be let down again.

It is worth noting that 72% of all home owners surveyed in a national survey, stated that they would not re-list with the same Realtor again. Two of the main reasons covered here are the lack of communication and the lack of marketing.

1. Communication

Why no sale? What did prospects say about price and condition? What feedback did other Realtors offer? Teamwork between seller and Realtor is a key aspect in knowing how to alter a marketing plan for success. The lack of attention to a listing can be a factor, but rarely the whole story.

Every seller can boost a property's exposure. Make it easy to show: consider a lockbox, "For Sale" sign where permitted, and showing times convenient to buyers. Also, keep the house in showplace shape, only allow showings when the house is free of cooking smells and is looking it's best. The Realtor that comes to your door and asks to view your home without an appointment when your home is not prepared, ask them to come back. They will if they have serious buyers. Depersonalize furnishings so prospects see themselves at home, keep pets at a distance. Empty over crowded rooms, store furniture if you have to. Remember, the next prospect may be your buyer.

When selling, I think that it is most important that we communicate. My sellers are a key source for information about showing traffic, new-on-the-market competition, changes in the property's salability. It is very important to know the number of people that are going through your property, the number of scheduled showings can tell us a lot about how well priced you are—the more we work together, the faster a sale will transpire.

2. Price

This is the most common culprit for the lack of a sale. An incorrectly priced house attracts the wrong buyers or worse—none at all.

Marketing conditions probably have changed since you initially listed your house. Properties will have sold, additional houses may be listed now, loan rates can moved up or down and seasonal changes will cause market differences. It is wise to an up-to-date, competitive market analysis prepared.

I use four to five methods when evaluating a property—a lot depends on available information. We review all recently sold and currently for sale properties that are comparable. In addition to comparable values and any renovations you may have completed, I also look at tax assessments of your property and comparable properties as well as the sale history. It is important to use as many evaluation methods as possible, because a well priced home will not only sell faster, you will pocket more as a result.

The reason you pocket more money is because of the added enthusiasm that occurs when the right buyer discovers your home. *Enthusiastic people pay more!* Many people over price their property thinking that they can always

come down—they will—and usually more than had they priced their home right in the first place.

Well hold that thought. Did you know that a property priced more than 10% higher than market value, only has a one in ten chance of seeing an offer during the original listing period. Conversely, a property that is within 3% of market value has almost a 90% chance of seeing an offer during that same period.

With my analysis, you'll know how your house compares to others offered for sale today. Is your price right? Are your terms and financial incentives competitive? My goal at this stage is to provide you with the information necessary to make an informed decision. Do you want to sell at what the market is willing to pay? Are you prepared to do what it will take to get your home ready for sale?

Activity without offers often indicates overpricing. Remember, any house, no matter what condition, will sell for the right price. What price is “right” depends on market conditions, competition and property condition.

Let me give you a hypothetical example. If you were to put your house up for sale at 50% of it's market value. What do you think would happen? I would suggest that you would create a stampede to your door.

The nice thing about real estate, is that you can create a lot of buyer interest by simply pricing your property correctly - in that sweet spot of recognized value. This will create huge buyer interest and will cause the necessary emotions that will get the buyer to pay you top dollar.

3. Condition

Is your house someone else's dream home? When buyers enter, do they think, “I love this house!” A house in move-in condition invites a sale. Have you fixed all the little squeaks and drips, cleaned and painted, de-cluttered, brightened up and concentrated on outside curb appeal?

Or are you hesitant to take care of major items? For instance, did you offer an allowance for new carpet instead of installing it? While prospective buyers are trying to imagine what new carpet will look and feel like, they likely are discounting the price still further for the worn carpet underfoot. A house in like-new condition sells faster and gets the best price because it out-shines the competition.

I would be happy to tour your house and help you see it as prospective buyers do. You can also go to my home page and request our report—29 Essential

Tips That Get Homes Sold Fast and For Top Dollar—this report is a comprehensive ten pages long and covers all the areas of the home that you should focus on when preparing your home for sale. You will clearly see where you should be spending your time and money, as well as where you should not waste once red cent.

4. Marketing

Some not so well-to-do Realtors might try to convince you that marketing does not work. In my opinion, they are only trying to save some of the money you are paying them, for themselves. It begs the question, if marketing did not work, why would all the large corporations like Coke and Ford still advertise even though they dominate their respective fields?

The key is knowing *how* to advertise, it is not running a picture of the Realtor, it is not putting some tiny little ad in the corner of the local paper that cannot be seen. It is not holding an open house or sending a flyer to another Realtor, they already have a copy of the listing anyway.

It is running great direct response display style ads that stop people in their tracks. Ads must be aimed at the personal interest of the people you are trying to interest, not the interest of the person doing the advertising.

The role of a marketing program often includes: listing in an area-wide MLS computer network; an advertising program that generates buyers for similar properties in your price range; computer/Realtor opens; and other unique activities designed to catch attention. Such as internet marketing with auto response mail systems in place and 24 hour pre-recorded talking ads that give the information to the prospective customer on demand.

Great marketing includes having a system in place that tracks results, enabling you to see what works so that you can repeat it. It is testing and testing again. It is a work in progress that keeps growing and developing as times change with the new opportunities that present themselves.

One of the most important aspects of an all out advertising campaign, is not only gaining the direct benefit of having interested buyers call on your property. Just as important, you get the added benefit of the buyer that wants your home getting anxiety because they believe that other buyers will want your home as bad as they do. They fear losing out on their new home when they see that your house is being advertised everywhere. They can not help but to believe that someone else will buy “their new home” if they don’t act fast. Buyers always have a hard time believing that they are the only one interested in the home they have just discovered.

This is human nature and it is one of the primary secrets of achieving top dollar when selling.

In order to achieve the maximum selling price for your home, whether the prospective buyer finds your house after one week or one month, it is important that your home has a marketing presence in order for us to enhance the natural element of buyer fears. The people interested in your home have to come to the conclusion on their own that someone else must want the house as bad as they do. As the Realtor they would probably expect us to say something like that. But if they see the property being advertised everywhere, the tools are working and they will believe this on their own.

Buyers Are Out There Now

Finally, don't show your house until marketing terms, price and condition are set. Buyers are out there right now looking for certain properties. Put your house in buyer-ready condition before listing it again and it won't go unsold.

If you're ready to re-list an expired listing, or simply want to talk about what to do next, I'll welcome your call. In addition we have several reports available at our website that can assist you in the sale of your property.

How To Know If The Price Is Right.

Setting the right price makes a house competitive, reduces selling time and improves the chances of getting a full-price offer. To find the right price, I'll perform a competitive market analysis, which means check out the competition.

We'll analyze the final sales price and terms for comparable homes in your neighborhood for the past six months to a year, depending on local activity. Then we'll look carefully at the competition, and see how the value of your house compares with the others similar to yours on the market.

You might want to visit a few nearby houses that are for sale and see how their condition compares to yours. Check how long the other houses have been listed and calculate average time to sell in today's market. Finally, we'll note the prices on any houses whose listing have expired. These prices were probably too high.

Price, Price, Price

Your price should be close to what houses like yours have actually sold for recently, rather than to current listing prices of comparable properties. Although your house will likely sell for its real market value, by listing it closer to selling prices—not asking prices—it will sell faster and more often for more money.

Note that I have mentioned how much you paid for your house and improvements that may have been made as being one of the several methods that I use when evaluating a property.

What a willing buyer will pay and a willing seller will accept—rather than the cost you've put into the property, will be the sale price. However, the price that you paid if purchased over the past ten years can often give us a general guideline as to what the value might be today, this is because of price trends. When the market peaked in 2006 and began to drop for the rest of the decade. Almost all property was affected, this has enabled us to study the market trends of hundreds of individual homes and then extrapolate the price swings to the entire market. This is only one of the many guidelines in establishing value.