

10 Steps To Sell More Quickly In Stalled Markets

by Peter G. Miller

We're well into the prime real estate selling season for much of the country, a marketplace less certain in many areas than in the past few years.

We don't fully know what will happen in 2007, but to date many markets have stalled if not declined. For most long-term owners selling in such a marketplace, appreciation from past years assures profitable sales, but perhaps not as profitable would have been the case in 2006.

But still, owners in all cases would like to maximize their profits. What to do? If you're a seller, there are 10 negotiating steps you can take to make sure your home has the best chance for a top price and a quick sale.

Step 1: Get a local broker. In a slow market there are relatively fewer buyers. It follows that to generate the most demand you want your property exposed to as many purchasers as possible. Who do buyers contact when they want a house? Brokers. Figures from the National Association of Realtors show that 85 percent of all buyers rely on real estate brokers when buying a home while 80 percent rely on the Internet. Who posts real estate information on the Internet? Local brokers.

Step 2: Read the sale agreement. Virtually all jurisdictions have a standardized real estate contract which over the years have become lengthy and complex. If you use one then you're automatically agreeing to all unmodified terms and conditions, so read the entire agreement so you know what is being said.

But is there something in the proposed agreement that should be changed, removed or added? Brokers should provide a copy of the sale agreement they expect to use at listing presentations and this document should be read to avoid surprises and misunderstandings. Since these are form agreements, anything not required by law can be changed with a suitable cross-out or addenda. For details, speak with your broker or attorney.

Step 3: Know the marketplace. In terms of negotiation it's not good enough to know recorded sale prices because they frequently don't tell the whole story. For instance, two homes may both have recorded sale prices of \$500,000. One may actually have sold for \$500,000 while the other sold for \$500,000 but the owner gave a 3 percent seller credit to the buyer for a new roof and appliances -- that's \$15,000 off the top. Local brokers who actually make sales know the innards of recent transactions and are thus in the best position to provide negotiating advice.

Step 4: Know your terms. You know your property will sell at some price point, but rather than a given price it's best to think of a home as a package of price and terms. For instance, in a slow market it may be better to pay a "seller contribution" to help buyers off-set closing costs than to lower the sale price. In many cases, the seller contribution may be smaller than a price reduction and much more attractive to buyers who need cash to close.

Step 5: Reduce deposit requirements. To make a contract work there's a need for a buyer deposit, the "consideration" necessary to bind a deal. If you're a seller you want the largest possible deposit, but in a slow market you may have to settle for less. Buyers, for their part, want to make the smallest possible deposit if only because a big deposit represents a huge psychological commitment -- and a financial one.

Less consideration may be appropriate if the buyer is pre-approved for a loan, the purchasers have a strong interest in the property and no better offer is in the picture.

Step 6: Throw in stuff. Do you really want to move a swing set or a washer/dryer? In some cases it may be best to

"reluctantly" part with such items if only a buyer will make an offer.

Step 7: Update MLS photos. If it's August and your MLS photo shows a home with four feet of snow in the front yard then buyers can guess that the home has been for sale for a long, long time -- meaning the price and terms are, um, flexible. Perhaps more "flexible" than you would like. Have your broker post newer photos.

Step 8: Review the marketing plan. The marketing plan developed by your broker should be reviewed as often as necessary to assure that; one, it is being followed and; two, it is changed as necessary.

Step 9: Visit open houses. It's always good to visit open houses or, as they're otherwise called, the competition. It's not easy to be objective, but is there something other owners are offering which might work for your property? Something you can make into a bargaining point? Maybe an offer to re-paint the living room in a color of the buyer's choice is not a bad idea.

Step 10: Have context. It's silly to worry about small costs and concessions when your core goal is to sell the home.

In one situation, a buyer demanded an extra \$500 to resolve some alleged concern just before closing. We thought this was simply an example of buyer's remorse and said yes, got an otherwise terrific price, and closed. Soon thereafter the local market slowed and prices softened. It was far cheaper to "lose" \$500 than to locate another buyer a few weeks or months later when the market was harsher and our final sale price might have been many thousands of dollars less.

Would we have rather not paid the \$500? Sure. But \$500 was a small cost in the context of a rapidly changing market, one where delay could have meant a serious price reduction.

For more articles by Peter G. Miller, please press [here](#).

Copyright © 2007 Realty Times. All Rights Reserved.

With an award winning staff of writers providing up to the minute real estate news and advice, thousands of REALTORS® in North America reporting daily market conditions, and a nationally broadcast television news program, Realty Times is the one-stop shop for real estate information. That's why over 10,000 real estate professionals have turned to us for their publicity needs.