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Balanced market creates new approach to home selling

Previous listing strategies may backfire in 2006

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There are plenty of home buyers intent on buying while they can still lock in a relatively low mortgage rate. So, the 2006 housing market should present good opportunities for sellers who understand how to maximize profit in this new, more balanced, selling environment.

The first step is to start thinking like a buyer, not a seller. Although buyers are anxious to buy before rates rise further, they know that the appreciation rate is subsiding.

When the market is rising quickly, buyers are less concerned about overpaying because they're sure they'll recoup the excess payment within a few months because of robust appreciation. This was the psychology of last year's buyer. Now, buyers are much more concerned about value.

For this reason, pricing is more important than ever, as is property condition. Buyers are less forgiving of defects. So, ideally, you should fix defects before you put your home on the market.

Listings are most salable when they're new on the market. To maximize your chances, your home not only needs to be priced right and properly prepared for sale, you also need a comprehensive marketing plan. You want to make sure that information about your listing reaches as many potential buyers as possible.

So, pick your listing agent carefully. A prospective listing agent should provide you with a marketing plan. Ask to see samples of the marketing materials that will be used to promote your home. Make sure that your home will receive Internet exposure. Over 70 percent of today's home buyers start their home searches on the Internet.

An ad on the Internet isn't enough, though. Buyers don't look at listings that don't have photos. You can gain an edge on the competition if photos of your home are on the Internet as soon as your home is opened up to the market. Check out other listings on your agent's Web site to find out how your home will be presented on the Internet.

It's important to have a good working relationship with your agent. For this reason, many sellers who had a positive experience buying their home decide to list with the agent who represented them as buyers. This is often a good strategy. Just make sure that you find out how your buyer's agent works as a seller's agent. Some agents are equally good at both, but some aren't.

HOME SELLER TIP: In most cases, it's not wise to work with an agent who is from outside of the local market area. Few agents can give good service if they are spreading themselves too thin. A bad marketing effort can result in a lower sale price.

Recently, an agent from out of area listed a property in Oakland, Calif. It was never adequately exposed to the local Oakland market. It finally sold after several price reductions. The buyers got a good deal, not the sellers.

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Your aim is to sell for the highest price possible. Some sellers, who are mentally stuck in last year's market, think it's a good idea to list at a price that's way under market value to generate a bidding contest and send the price higher. This strategy could backfire on you this year. If you don't receive multiple offers--and most sellers aren't these days--you will have a hard time negotiating a buyer up from a low price.

Don't list for less than a price you can accept if you don't receive multiple offers. But, keep in mind that overpriced listings won't sell.

THE CLOSING: An agent who's active in your area and whose listings are selling will be able to advise you about an effective list price for your home.

Dian Hymer is author of "House Hunting, The Take-Along Workbook for Home Buyers, and "Starting Out, The Complete Home Buyer's Guide," Chronicle Books.

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