



There's Only One Reason Why Your Home Didn't Sell

**Read 30 minutes before
meeting with your agent!**



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INTRODUCTION

Psychologists have long asserted that moving is one of the leading causes of stress and anxiety. Even worse, when a home does not sell within a reasonable period of time, stress can become prolonged and compounded.



The truth is, if you were better informed about the many details involved in the marketing and selling of your home, you could avoid—or at least alleviate—much of the stress associated with selling your home. Unfortunately, this lack of information regarding the complexities of the home marketing and selling process often leads home sellers to make the wrong decisions, both when selecting a real estate agent and in determining what to expect from the agent.



Relisting Your Property

If the listing or marketing agreement you had with your real estate agent and their company has, as the real estate industry says, “expired,” you have the following options:

- ▶ You may relist your property with your previous agent
- ▶ You may keep your home temporarily or permanently off the market
- ▶ You may try to sell your home yourself
- ▶ You may consider a new real estate agent and a different marketing approach

RISMedia's Top 5 in Real Estate Network® believes that it is always in the best interest of home sellers to ensure that they are represented by a highly competent real estate agent—an agent who can not only explain why your home did not sell, but more importantly, what they can do to achieve the best results in the sale of your home.

THE REASON HOMES DON'T SELL

Is It As Simple As the Price? Many Times, It's Not

No matter what town, city, state or province in the United States or Canada you are in, there is only one reason why a home does not sell: **Marketing**. That's right—the only reason a home does not sell is due to ineffective marketing. **Overall marketing is the overall reason.**

Far too often, when a home does not sell, many real estate agents point to price alone as the reason. Leading real estate agents, like Top 5 members, along with most home sellers, however, believe there are usually many other factors involved, too.

But What About Price?

While, technically, it may be true that any home can sell if the price is lowered enough, the agent you select should represent a more nuanced, diagnostically comprehensive understanding of why homes, in general, do not sell. *Conversely, one-dimensional, price-only thinking is a convenient excuse for those agents who lack the necessary skills to effectively market a home.*

Many well-informed home sellers also understand that there are many other key factors beyond price that contribute to their home not realizing the desired results, such as:

- ▶ Ineffective marketing (advertising, et al.)
- ▶ Inadequate merchandising (staging)
- ▶ Insufficient networking
- ▶ Unsuccessful negotiating
- ▶ Lack of information technology

By selecting a Top 5 member, you will have the opportunity to work with a proven real estate professional who is cognizant of and conversant in the many reasons beyond price why homes do not sell.

Don't Overlook Price, Though

Top 5 members agree that price is one of the many vital marketing factors that influence the sale of your home. As you re-evaluate the proper pricing strategy for your home, request an updated market analysis from your real estate agent. Make sure that it details the current pricing trends for your overall marketplace, including:

- ▶ Days on the market for properties in your specific price range
- ▶ The list-to-sales price ratios for homes that have sold (*the more recent the better*)
- ▶ Square footage cost (*ask agents how and if cost per square foot may be relevant to price*)
- ▶ The number of price reductions or, where applicable, the number of price increases
- ▶ The number of homes currently active in your price point
- ▶ Any other information your agent can provide that relates to selecting the proper price

When re-evaluating price, keep in mind that in specific circumstances, a lower listing price can actually lead to a higher selling price.

Because the laws of supply and demand essentially govern all pricing, a lower asking price



can, in many cases, stimulate greater demand. Greater demand frequently leads to higher prices. Discuss with your Top 5 member the current supply-and-demand metrics influencing home values in your neighborhood or marketplace. Also consider the following when pricing your home:

- ▶ Some buyers in certain markets will not even consider a property unless there has first been a price reduction. If you are in an active seller's market, this should not be a concern.
- ▶ Buyers typically select a property after exhaustive shopping. Since buyers are prone to shop in one price range, they come to recognize value in a specific price range more quickly. Overpricing, therefore, can carry with it a significant penalty.
- ▶ A significantly overpriced property is less likely to be shown by real estate agents. A lower price can reduce days on the market, thus avoiding the stigma of longevity and protecting the price integrity of the property.

If your marketplace is one where there is appreciably greater supply than demand, you might want to ask a Top 5 in Real Estate member if it would be prudent to offer creative buyer incentives, such as:

- ▶ Offsetting closing costs
- ▶ Paying points on their mortgage
- ▶ Buying down an interest rate
- ▶ Offering inclusions
- ▶ Closing date flexibility
- ▶ Home warranties

Note: Ensure that all such incentives comply with the appropriate regulatory real estate practices in your state or province.



REAL ESTATE MARKETING

Interview your prospective agent to make sure they possess the all-important skill of marketing. We suggest you ask the following marketing-related questions:

1. What is the difference between a real estate marketing agent and a real estate sales agent?
2. How is marketing different than advertising?
3. How is marketing different than real estate personal promotion?
4. How do you market offline as well as online?
5. How do you market to other real estate agents?
6. How do you market to niche or segmented prospective buyers?
7. How do you market to relocation and referral buyers?
8. How will you develop and customize the marketing for our home?

Once you are satisfied with the agent's level of experience and production, make this most important request of them:

"Please tell us, from a marketing standpoint, all of the things you will do in marketing our home that will cause it to sell at the highest price and at the best terms."

REAL ESTATE MERCHANDISING (Property Preparation/Staging)

While it's a cliché, it is certainly true: your home has only one chance to make a first impression.



Although often confused with marketing, there is a dramatic difference between real estate merchandising and real estate marketing. While real estate marketing represents all that a skillful real estate agent does while your property is on the market, merchandising is the skill required to increase the value of your property...even before it's introduced to the market.

Top 5 in Real Estate members are very skilled and committed when it comes to property preparation. This is enhanced by their exclusive relationship with RISMedia, the leader in real estate information systems. Accordingly, Top 5 members can provide their clients, and consumers in general, with convenient access to a vast library of home merchandising content.

Ask your prospective agent the following questions to determine their expertise in property preparation:

1. Please explain the difference between marketing and merchandising. *(If they say they're the same thing, that's a tip-off.)*
2. What merchandising or staging can be done to add to the value of our home? *(This question will also allow you to identify some of the agent's deeper feelings about your home.)*
3. Which other properties have you helped merchandise? What did you specifically recommend and how did it influence the results?
4. What concerns might prospective buyers have about my property? Is there anything that can be done to address these concerns through effective merchandising?

REAL ESTATE NETWORKING

Skillful networking by the agent representing you is instrumental in both mobilizing and inspiring other real estate agents regarding the sale of your home. Here are some networking-related questions to ask your prospective real estate agent:

1. What is your networking strategy for the sale of our home?
2. What are your most effective methods of engaging and exciting out-of-area agents who might ordinarily overlook our town and our home?
3. Tell me about your various referral networks.
4. How do you educate and network with other real estate agents beyond the MLS and the Internet regarding our home?
5. What will you do to get other agents to preview our property?
6. How do you follow up with other agents?

Your Role in Networking

Although it must be said that in most cases, buyers, especially early on, prefer to enjoy their visits to a property when the home sellers are not present, we also recommend that you, as a home seller, inquire about your potential role in a particular form of real estate networking. In certain cases, you can play a valuable role in establishing goodwill with prospective buyers by providing them with superior knowledge of your home and its attributes.

Regretfully, many real estate agents categorically and routinely seek to persuade all home sellers, especially in the early stages, to be virtually invisible to buyers whenever possible.

Many of the industry's top real estate agents, however, have told us that certain home sellers have actually been extremely helpful in securing results from buyers. Many buyers intuitively recognize and appreciate that while home sellers are unavoidably subjective about their property, in some cases, they are more credible. At times, certain buyers feel they have more in common with or relate better to the individuals who live in the same home that they now believe defines their own interests and values. Therefore, discuss with any agent you are considering when and where it might be useful for you to be involved in this type of networking.

REAL ESTATE NEGOTIATING

Negotiating experts assert that there are five negotiation styles:

- ▶ **Accommodators:** Those who seek to preserve personal relationships
- ▶ **Avoiders:** Those who avoid conflict
- ▶ **Collaborators:** Those who involve both parties fully
- ▶ **Compromisers:** Those whose greatest desire is just to close the deal
- ▶ **Competitive:** Those whose greatest desire is to outright win

Given the complexity of real estate negotiations, no one style fully characterizes any one agent. These five styles can, however, be very useful for the purpose of discussing negotiating with your prospective agent. **Make sure you pick a negotiator, not an arbitrator.** We recommend you ask your prospective agent the following:

- ▶ How will you negotiate when the buyer agent tries to diminish the value of my home?
- ▶ How should we conduct ourselves as home sellers, if and when we meet with buyers and buyer agents?
- ▶ How should we most effectively react to a low offer?
- ▶ In a so-called “very active” or “hot” market, what can you do to try to create a multiple-offer situation?
- ▶ What is the list-to-sales price ratio in our marketplace, and how will this influence how you will negotiate for us?
- ▶ How long are the homes in our price range taking to sell, and how will you negotiate in our favor regarding that issue?
- ▶ Does having an open house help or hurt our negotiating position?
- ▶ Does having a “For Sale” sign help or hurt our negotiating position?
- ▶ How are you going to respond as our agent if the agent working with the buyer—or the

buyers themselves—ask, “Where are the home sellers moving?” or “Why are they selling?”

- ▶ Do you negotiate differently with corporate transferees and out-of-town buyers as opposed to local buyers?
- ▶ Please give us two or three examples of how your negotiating strategies or skills have brought a significantly better price to a property you represented.
- ▶ Which features of our home will you highlight in order to enhance our negotiating position?

Trust in negotiations!

Make sure you fully trust your agent as others will need to. Trust is critical in real estate negotiations.

REAL ESTATE INFORMATION TECHNOLOGY

The following questions will enable you to better gauge your potential agent's technological proficiency:

- 1. How will you provide my property with greater shelf positioning online** *(because your home is competing with other homes on the market, just as products compete with other products on the shelf in a store)?*
 - ▶ How many websites will you market my property on?
 - ▶ How do you or your company generate consumer traffic to visit my property online?
- 2. How will you create a photo marketing strategy for our property?**
 - ▶ How many photos do you recommend?
 - ▶ Specifically, what types of pictures will be taken, how many, and in which order will they be displayed for my property?
 - ▶ Are there certain rooms, or parts of the property itself, that should be in more than one picture?
 - ▶ Will you provide virtual tours or videos of my property?
- 3. What type of community data will be provided with my listing?**
 - ▶ What type of community, neighborhood, services, school, transportation and other contextually important information regarding my home's lifestyle will be included?
- 4. How will you and your company manage our transaction from contracts to closing, and how will you provide us with necessary feedback?**



AN IMPORTANT MESSAGE FOR HOME SELLERS ABOUT RISMedia's TOP 5 IN REAL ESTATE NETWORK®

The Top 5 in Real Estate Network® was developed by RISMedia, the leader in real estate information systems, and is comprised of leading real estate agents from throughout the United States and Canada. Members represent a variety of highly respected international, national, regional and local real estate firms. Top 5 membership is based upon real estate professionals meeting a stringent series of requirements, including experience and results.

Please contact the Top 5 member who presented you with this brochure for any and all of your real estate needs.

Note: Please disregard this information if your home is presently listed with a licensed real estate agent.



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