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## DWELLING ON DWELLINGS



### Do your Homework before Selling House

By **Brad Boisvert**

Home selling 101 — know thy market The real estate market — like the economy — is in a constant state of flux. Is it a seller's market? Is it a buyer's market? Or is it like New England weather — stick around and it will change? Of course, if you're thinking of selling your house, you ought to know whether the sun shines on the buyers in your area or the sellers. And that's not necessarily an intuitive assumption.

For example, in tough economic times, you might expect home sales to be a bust. Yet according to national statistics, home sales have done pretty well during the recent recession. But whereas single family homes under \$200,000 have sold well, luxury and vacation homes have taken a bit of a hit.

So where does your home stand in the market?

Be prepared to do a little research. Markets vary widely from neighborhood to neighborhood. For instance, in New Hampshire, the Concord area is currently experiencing a promising seller's market. An hour away in pricey Concord, Mass., however, sellers are challenged with a bearish buyer's market. Meanwhile, up in Conway, market conditions favor sellers because of low inventory. Understanding the differences between Concord, Concord, and Conway can be, well, confusing.

But understanding the market conditions in your immediate neighborhood may be easier than you think. Using the Internet, you can find out what other homes in your neighborhood have sold — and at what price. Check Yahoo's real estate section at: [list.realestate.yahoo.com/re/news](http://list.realestate.yahoo.com/re/news).

Be warned, however, an Internet search will only tell you so much. It won't tell you how the houses in your neighborhood compare with yours in terms of type, size, and condition. For a more thorough assessment, ask your real estate agent to provide you with a market analysis. Your agent can tell you what comparable homes have sold in your neighborhood, what the selling prices were, and how long they were on the market.

Also check what the competition is doing. See what other homes in your area are going for. Cruise the neighborhoods. Scan the listings. And pay careful attention to what condition those houses are in. It's important to assess what buyers expect to get for the price range you're trying to set.

Regardless of how much money, time, and effort you put into making your home what it is today, the current market dictates

prices. One of the biggest mistakes sellers can make is pricing their house incorrectly. There are horror stories on both sides of the spectrum: sellers who priced their house too high and couldn't sell and those who practically gave away their homes by pricing way too low.

And make sure you continually keep tabs on what other sellers are doing as the market goes on. For example, are other sellers dropping their prices?

Are they negotiating with cash for closing? Are they continuing to advertise in all the same places? Are they updating or improving certain aspects of their property to appeal more to buyers?

Remember, buyers are comparing your home to others on the market. For an honest evaluation of where your home stands, you should be doing the same.

Perhaps the most important aspect, however, in understanding your market is knowing who your buyer is. If you have a four-bedroom home, for instance, chances are your home will appeal to growing families — families with teen-age children who need their space and concerned parents who want garages, home offices, and safe neighborhoods. These families are going to be interested in the quality of schools in the neighborhood, as well as crime statistics. You can help by having this sort of information readily available. Find out what's great about your school system and tell your agent, their agent, and every person who's interested.

If you have a smaller home, your target buyers may be starting families or retiring couples. Endeavor to figure out which ones, because their concerns may vary widely.

Finally, once your home is getting showings, ask agents for honest feedback.

Are prospective buyers receiving your house well? Do they like the decor? Do they like the neighborhood? If you know about potential objections (about price, about the condition of your home, etc.) before the next prospective buyer walks in, you'll be better equipped to manage or even eliminate problems. And that's the advantage of being in the know.

Try to get at least three CMAs from different agents. And beware of an agent who presents an inflated number. If two come in at one price and another comes in high, chances are the high number is more than hopeful. And it can be devastating to list a house too high right off the bat.

Houses on the market generate the most interest within the first 30 days of their listings. If a house gets overlooked because it's overpriced during those first weeks, the listing becomes stale if not tainted. Informed agents in the area will have an idea of how much your house is worth; if they think an appraisal won't support your asking price, they won't show it to

potential buyers. After all, it will be a waste of their time to show houses that may have the sale fall through. And if you overprice with the intention of coming down, you open the flood gates to low-ball offers from buyers who will always assume the house is still overpriced. So try to get it right the first time.

To get a better idea of how accurate the CMAs presented to you are, do a little research yourself. Go to open houses. See what the competition is offering in amenities and price. And with a discerning eye and a logical mind, pay careful attention to the biggest price drivers: location, condition, amenities, and terms.

Favorable locations obviously bring better prices. Is your house in a nicer neighborhood than others? Do you have a better view? Or is your home uncomfortably close to busy train tracks? Ask the hard questions and be brutally honest. When comparing condition, check other houses' roofs, foundations, carpeting, windows, and siding. How well does your home compare?

And keep an ear to the overall market trends. Seller's markets will generate bigger prices for your home than buyer's markets will. Currently, most of New England (new Hampshire especially) is still enjoying a relatively strong seller's market.

If you're a stickler for accuracy and like to take the guesswork completely out of the process, consider having your home appraised by a professional. After a thorough and in-person inspection, a professional real estate appraiser will give you the same sort of assessment a potential buyer will get. He or she will inspect the foundation, roof, electrical and plumbing systems, heating and air conditioning, windows, walls, and other items and give you a detailed report along with an estimated value. Real estate appraisers are certified in your state and their evaluations are generally very reliable. What's more, they're impartial.

What they are not, however, is free. Plan to spend \$300 to \$400 for a professional appraisal. However, you do it, don't take the pricing process lightly. A well-priced house will attract more showings and will sell faster ... for more money and fewer hassles to boot. And that will make everyone a winner in this game.