

# YOUR HOME FAILED TO SELL!



## Now What?

*The "must-have" resource  
for struggling home sellers*

**Joe Manausa, MBA**

## Your Home Failed To Sell ... Now What?

You had your home listed for sale with a real estate company, yet here you sit reading a manual on what to do when your home fails to sell.

Unfortunately, this means that you made a mistake or two along the way, and you ended up in a position to be starting over. You wasted a lot of time, cleaned and prepared your home for multiple showings (or not!), with nothing to show but fatigue, regret, anger, and a little bit of fear.

Fortunately, you have found a document that will help guide you to success.

We have people at our company who specialize in working with sellers who have failed in previous attempts at selling their homes, and from our vast experience we have assembled this booklet to share our collective wisdom and experience with home sellers who need some special guidance.

Yes, you failed to sell your home. But that does not mean you have a home that is tough to sell, it just means you started off without having the right plan. By following the guidance in this booklet, you can get your home sold and move towards the goal which you were seeking when you first put your home up for sale.

I promise if you read this booklet cover to cover and follow its advice, you will not fail again.

Best of luck in selling your home.



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## You Are Not Alone

First of all, you are not alone. Roughly 40% of the homes listed for sale last year failed to sell, so perhaps you can take comfort in the fact that others did not get it right the first time(s) either. This e-book is designed to help you determine 1) Why your home failed to sell, and more importantly 2) What you should do from here so that failure is no longer an option.

## How Many People Feel When They Experience A Failed Move

If you have been wanting to make a move and have not been able to sell your house, then I hope you can find some comfort by understanding the five stages of grief that you will experience (or are experiencing).

This is no shallow comparison to the grief that we feel when we lose a loved one, rather it is my attempt to show you what will happen if you fail to sell your house, and how you can use the experiences of others to avoid the inevitable outcome for which you are heading.

You see, selling your house is often times stressful, but failing to do so once you are committed to moving is down-right depressing.

## The 5 Stages of Grief ~ When You Fail To Sell Your House

There have been numerous books and articles written about the five stages of grief, but I have not seen an application for this process that helps you deal with the emotions that come with the failure of selling your house.

The five stages, denial, anger, bargaining, depression and acceptance are each a step towards making the ultimate decision on what you are going to do with your home. It is my belief that if you understand this up front, you should be able to make better decisions and thus reduce the pain and indignation that you are likely to feel should you fail to sell your house. If you are reading this after having a failed listing period, take a moment to determine where you are in the process so that you can perhaps hasten the journey.

1. **Denial** -The first stage of grieving helps you make sense of the fact that nobody bought your home. You figure it's a fluke and that your home will ultimately sell, you just have to wait a little longer. Of course, this initial reaction is the very worst thing you should do. Once you determine there is a problem ... solve the problem.
2. **Anger** – The second stage of grieving kicks in when you realize that you are not going to sell your house. You get mad. Very mad. You get mad at your real estate agent, you get mad at your family, you get mad at the economy and any other related (or unrelated) party that could be responsible. But underneath this anger is pain, and it is the pain you feel by being [trapped in a home that won't sell](#) and not being able to move to the next phase of your life.

3. **Bargaining** – As the anger subsides, you begin to start having irrational ideas for getting your house sold. You ask “what if I [offer an incentive to selling agents](#)” (as if the multi-thousand dollar commission was not incentive enough??), or you begin thinking about daily open houses or more ads in the paper. The bargaining stage is merely an attempt to negotiate your way out of the hurt caused by the failure to sell your house.
4. **Depression** – When the bargaining fails, you are left with a feeling that you can do nothing. This is the deepest level of grief that you will feel over the failure to sell your house, and it will have a profound impact on all the other aspects of your life. Your family will suffer, your work will suffer, and even your health will decline. It will be during this stage of depression that you hit rock bottom, and you will discover a need to move on regardless of the situation.
5. **Acceptance** – The fifth and final stage of grief does not put an end to the pain you feel when you fail to sell your house, but it is the point in the process when you accept that “[it is what it is](#).” Regardless of the reason that your house did not sell, you are now ready to deal with the real issues and [get your home sold](#).

### *How To Sell Your House And Avoid More Grief*

I hope you can learn from those who are grieving, and jump immediately to “acceptance.” Your house has a current value, and there is an [optimal way to market your house for sale](#).

Don’t try to get an amount that the market will not bear (no marketing plan can sell a nickel for a dime), and do not hope that an agent who brings false promises is going to make your home worth more than its value. Do your homework on valuation and remember ([it is what it is](#)). Finally, find [the right company](#) to sell your house.

### **The Reason(s) Your Home Failed To Sell**

To determine why your home did not sell when you listed it with a real estate company (agent?), let’s take a quick refresher course on Marketing 101.

Everybody knows that Tallahassee is still working its way out of the housing market collapse. Last year, roughly 40% of the homes that were listed for sale in the [Tallahassee MLS](#) failed to sell, leaving a large group of home owners who are rightfully upset.



## The Four Components of a Solid Marketing Plan

There are four key components of a solid marketing plan. By verifying that each has been optimized, you can get your home sold right away in nearly every housing market in the US.

- **Product** – Make sure your home is in tip-top shape, the best it can be.
- **Distribution** – Location is set, not something you can control (but you can promote the benefits).
- **Price** – Pricing is more important today than ever before, learn all you can about pricing your home to sell.
- **Promotion** – 94% of homebuyers are on the internet, ensure that you understand what a targeted marketing plan is and why it must be implemented to get your home sold.



I have produced a [short FAQ video](#) which explains the four components in greater detail and these are the essence of *why your home is not sold* and what you can do about getting it sold immediately.

## Were You The “Set-Up” House For Your Competition?

There are many people who think they are selling a home, but in fact they only serve the market as a set-up house. Could this have been you during your failed listing contract?

Over the past five years, more than 60% of all “wanna-be” home sellers have failed at the task of selling a home.

They listed their home on the market. People came by at all hours to preview the home. But the home never sold.

Imagine offering your home for sale for six months, twelve months, or even several years, only to fail to sell each time. That level of continuous rejection is enough to bring down anybody's spirits.



Most of these homeowners thought they were doing all the things necessary when selling a home, but a far more sinister reality was their fate.

Their home was being used by knowledgeable real estate agents as the set-up house.

### **Don't Be The Set-Up House When Selling A Home**

So how exactly does the set-up house work?

When somebody selling a home decides to make the asking price higher than buyers are willing to pay, real estate agents often times use it as the “set-up” house for selling a properly priced home.

For example, if two very similar homes are near each other, with one priced at \$250,000, and the other priced at \$280,000, the higher price home is often showed first. Then the real estate agent says “If you like this home at \$280,000, you are going to love the home down the street priced at \$250,000!”



The overpriced home is used to “set-up” the properly priced home.

I hope this wasn't you.

### *Selling A Home With Modern Technology*

There is a right asking price to use when selling a home. Price it too high and you end up being the set-up house for homes similar to yours.

Price it too low and you are likely to leave money on the table.

The difference between getting a home sold versus being part of that large group that fails to sell is all about putting [the right home selling systems](#) into place. I do not know of an individual agent that can do this anymore.

At Joe Manausa Real Estate, we like to ask “**why hire a real estate agent when you can hire an entire real estate company?**” The traditional method is failing homeowners, you really can do better.

## Conditions That Do Not Affect The Sale-Ability Of Your Home

Did you notice that “current market conditions” were not one of the four components of a solid marketing plan? That’s right, it wasn’t the market and it wasn’t the economy that caused your home to remain unchosen. After all, thousands of homes sold last year, why couldn’t yours?

## Issues That Do No Affect The Sale-Ability Of Your Home

The following is a list of things that DO NOT impact the value of your home. Please think about each one and recognize that buyers in the market will not care.

- What you paid for the house
- Your remodeling costs
- The amount of cash you need to buy your new house
- What you want for your house
- What I say your house is worth
- What other real estate agents say your house is worth
- What an appraiser says your house is worth
- What the tax assessor said your house was worth

Buyers are going to want to get the best deal possible on the day they make a buying decision. This means that home values move with supply and demand. If the market is in the favor of buyers, then they have choices. The opposite is true as well (as we saw from 2004 to 2006 when sellers demanded and received top prices).

## What Buyers Expect In A Home Today

Supply and demand determine how “picky” buyers get to be. In 2005, buyers had to write offers the day a property hit the market for fear of losing it to another buyer. But in most markets today, sellers out-number buyers. It is the seller that has to be in a position to solve the needs of the buyer, and here is what buyers today are seeking:

- A clean, like-new house
- Appliances and Roof in great condition
- No fixer-upper issues unless you are priced accordingly
- Fresh Paint, inside and out

- Fresh Flooring
- No “clutter”
- Attractive, mature landscaping
- That “New House Smell”

Understanding this, have you prepared your home to grab the next buyer?

## **The Tools Of The Trade Have Changed**

Roughly 40% of the homes listed for sale by real estate agents last year **FAILED TO SELL!** The sad truth is that the changes that have occurred in the process of selling a home have not yet reached the typical real estate agent. Sure, there are some great real estate agents out there, but 95% of agents sell fewer than four homes per year.

To put that “four per year” into perspective ... the typical agent in the United States earns (takes home) less than the average full-time fast food employee. Why would you trust your several hundred thousand dollar asset sale to the French-Fry Guy at McDonalds?

## **Evaluating Your Hiring Process (Choosing A Real Estate Company)**

After deciding that you’d like to sell your home, you sat down and spoke with a real estate agent. Hopefully you interviewed more than one agent, but either way, you chose an agent to represent you ... and this is where you made your biggest mistake!

Why? Because you can get a whole real estate company for the same price as a real estate agent ... if you know how to look!

## **The Shocking Truth About Real Estate Companies**

The majority of real estate companies are not in the business of helping people sell a home. In fact, most are not even in the business of helping people buy a home! Can you begin to guess the industry in which most real estate companies conduct business?

The majority of real estate companies are in the “real estate agent” business. They plan on doing more business by hiring more agents. Each agent then is a business inside a business. There is no true collective effort in marketing your home, it is solely the job of the agent that you choose.

That means their entire focus is on hiring and retaining real estate agents. More importantly, that means the company has only a secondary interest in seeing your home sold. Or in seeing you happy. Think about it.

When your home failed to sell, did your previous real estate agent get fired by his/her company? Did he or she get reprimanded? No! They probably got an award for “Listing Agent Of The Month” when they “signed you up.” And consider this ...

The real estate industry is broken. For most companies, it’s all about luring as many licensees to an organization as possible. Real estate agents are always being treated as VIPs because brokers want them to stay at the company. This means that real estate agents are far more important to the brokerage than you (THE CUSTOMER).

Even though most [real estate agents are not productive](#) ... they nevertheless have scores of real estate brokers singing siren songs to persuade them to make a move.

### What Is A Real Estate Company?

Most people who buy a home or sell a home don’t realize it, but the majority of real estate companies are in the business of recruiting and retaining real estate agents and are specifically not in the business of helping consumers buy and sell homes.



- **Why should this matter to you?** Well, if you need to sell a home or buy a home, it is likely that the agent you are dealing with is a “lone ranger” and won’t have any real support from his or her real estate company. Sadly, they care more about retaining a real estate agent than they do about you as a customer of their business.
- **What can you do about it?** Choose to [interview the agent you plan on hiring to help you sell a home](#) (or buy a home) at the real estate office. Ask to have the broker speak with you as well, and see how the whole office works together. Whether buying or selling, you’ll be spending a lot of money for their service; demand the best.
- **How do you find one?** In the “old days,” you might have asked your friends for some names of people in real estate. Today, there is a smarter way. Look for [testimonials that speak to the level of service and success you should expect to find](#). Or ask Google! See [who Google keeps referring](#) your way from the local real estate company and real estate agent pool. If you ask enough questions, you will find the right answers.

### Your Experience With Your Previous Real Estate Company

If you are like most people coming off of a “failed to sell” experience, this is basically what you observed:

A wonderful person came to your home and impressed you with how much they seemed to know. You were very confident that the **agent** could sell your home. You had no communication with the agent's boss or his/her marketing department (because none existed).

So you signed a listing agreement, the agent hung a lockbox near your door and they put a sign in your yard.

In the first couple of days/weeks, you probably had some showings, and may have had some buyers with an interest in your home. For some reason or another, it just didn't work out.

### **Gauging The Service From Your Previous Real Estate Company**

The following short list of questions were designed for you as a quick survey, so answer quickly and informally. Be as truthful as possible to get optimum results.

Ready?

1. Was your home put into the best condition possible, to compete with other listings?
2. Did you address any maintenance issues with the property that could turn away buyers?
3. Was your home marketed aggressively throughout the entire listing period?
4. Was your home priced correctly with recent market sales?
5. Did you and your agent communicate frequently about your listing and about buyer feedback after showings?
6. Did your agent advise you on items that you rejected, or were you just not given an understanding of the impact of the advice?
7. Did your agent give you the facts about your listing or were you told what he/she thought you wanted to hear?
8. Did you keep the property in showing condition and make it easy for buyers to schedule viewing appointments?
9. Did your agent listen when you explained your goals and your motivation to sell?
10. Did your agent help educate you throughout the process, to help you make informed decisions about your listing and properly handle any offers?
11. Did you provide information requested by potential buyers in a timely fashion?
12. Did you receive any offers, and if so, do you feel you and your agent handled it properly?

## Your Opinion Of The Previous Marketing Effort

As you read through those questions, how many times did you shake your head and say “no?” If you answered “no” more than once or twice, you now know why you are reading this book! You see, these are all items under the control of you and the agent that you chose. Now that you know the short-comings from your past listing(s), you can begin to correct them.

## Examining The Reasons Your Home Didn't Sell

Now that you've taken stock of what possibly went wrong with your last listing, we can go back to the main reasons and discuss them more in-depth.

If I can convey nothing else in this entire booklet, selling a home is not rocket science!

There is a predictable and repeat-able process that can be followed to deliver guaranteed results. But failing to work the entire process brings the shoddy kind of effort that produces the high failure rate that is tolerated in our industry.



## Choosing A Real Estate Company

When choosing a real estate company for the job of selling your home, do your homework!

Real estate agents are sales people, it is normal for you to like what they have to say. But **talk is cheap.**

Find out from their real estate broker how the Broker will ensure that you get premium service. And find out all of the services the [real estate company](#) provides to ensure that you don't just get a real estate agent. We like to say “**why hire a real estate agent when you can get an entire real estate company?**”

## Why Hiring An Entire Real Estate Company Really Matters

The amount of work we do every day to ensure that each of our listings is getting viewed online accounts for more than 13 man-hours. That's right, it would take a listing agent 13 hours per day to market a listing as thoroughly as we do. So how are they going to do their job (talk to you about hiring them, talk to buyers about buying the home, follow up with incoming inquiries, etc.) and also market your home 13 hours per day?

The short answer is that they will not. When you hire a listing agent, you are selling yourself short, you are reducing the traffic that your home will receive, and ultimately, you are setting yourself up to either fail to sell, or to sell at a reduced price (Did your last listing agent keep asking you for price reductions?).

The following is a real-world example of a home that was listed with an agent (at a very well-known, international franchised company) for 123 days before “failing.” We took a snapshot from the Multiple Listing Service 14 hours (that’s right ... hours) after we listed the property. Note that we had exposed the property to 50% more clients in just 14 hours than the prior agent had been able to do in 123 days (four months!).

MLS #: [226989](#) Status: Expired Class: Residential Type: Detached Single Family LP: \$495,000



1 of 25

SqFt: 3857 SqFt Source: Other

PROPERTY INFORMATION			
Address: 9260 Shady Crest			
City: TALLAHASSEE			
County: Leon	Zip: 32312		
Area: NE-01	For Sale		
Subdivision: Meridian Oaks			
Tax #: 1401206 120073			
Unit: -	Lot: 7	Block: 0	
Year Built: 2007			
Metes & Bounds: No			
Bedrooms: 5	Baths-Full: 4	Half: 0	Total: 4
Owner's Pool: No	Fireplace: Yes		
Agent Hit Count: 59	Client Hit Count: 16		
\$/SqFt: \$128.34		CDOM: 123	

## Shocking

- In 123 days, our competition sent 16 clients to view this listing.

MLS #: [231729](#) Status: New Class: Residential Type: Detached Single Family LP: \$479,000



1 of 25

SqFt: 3857 SqFt Source: Other

PROPERTY INFORMATION			
Address: 9260 Shady Crest Lane			
City: TALLAHASSEE			
County: Leon	Zip: 32312		
Area: NE-01	For Sale		
Subdivision: Meridian Oaks			
Tax #: 1401206 120073			
Unit: -	Lot: 7	Block: 0	
Year Built: 2007			
Metes & Bounds: No			
Bedrooms: 5	Baths-Full: 4	Half: 0	Total: 4
Owner's Pool: No	Fireplace: Yes		
Agent Hit Count: 31	Client Hit Count: 22		
\$/SqFt: \$124.19		CDOM: 1	

## Same House

- In 14 hours (less than 1 day, we sent 22 clients to view the same listing.)

That’s a real house, and you can see that it was hardly seen by the “market” when it was improperly listed for sale with an agent.

## The Loudest Bogus Claim Made By Listing Agents

If you want to know whether or not a real estate agent really understands internet marketing and how it impacts your ability to get top dollar for your home, ask them to talk to you about how your property will be distributed on the internet.

When you do, you will likely hear the common real estate agent refrain ...

“When you list with me, I’ll put your home on more than 500 websites. It will be on Zillow, Trulia, Realtor.com, Century21.com, Remax.com, ... “

When you hear this, you know they are either ignorant or lying (they actually will put your home on those sites, the lie occurs when they suggest to you that it will help get your home sold for top dollar). So, do you want to hire an ignorant agent? How about a liar? I suggest you do neither.



It seems that real estate professionals fall into one of two camps when it comes to selling a home with a [modern real estate marketing plan](#).

Many real estate agents believe that exposure (= being on many websites) is the most important aspect to getting a home sold. The more websites used to promote a home, the more people who will see it, the better the chance of getting the home sold.

The other group will tell you it is all about price. If you [properly price your home](#), it will sell right away.

What we have found through diligent measurement and testing over the past seven years is that both camps are missing an ingredient.

For example, if you put a home on 500 websites that are trafficked by 1 Million people every day, but price the home too high, it will not sell (meaning exposure is not solely the answer).

And if you price the home perfectly, but do not tell anybody (meaning do not gain adequate exposure), then it will not sell (meaning that price is not solely the answer).

And finally, if you get millions of people to see a home (but who are not buying a home in your specific market), have you really accomplished your exposure goal?

No, our real estate marketing model acknowledges the importance of both pricing and exposure, and using the most appropriate exposure method for the specific home.

That's right, not all homes are marketed exactly the same. Our research has found that certain types of home buyers can be found in different places on the internet, so the "shotgun" approach to promotion is not very effective. Think about it ...

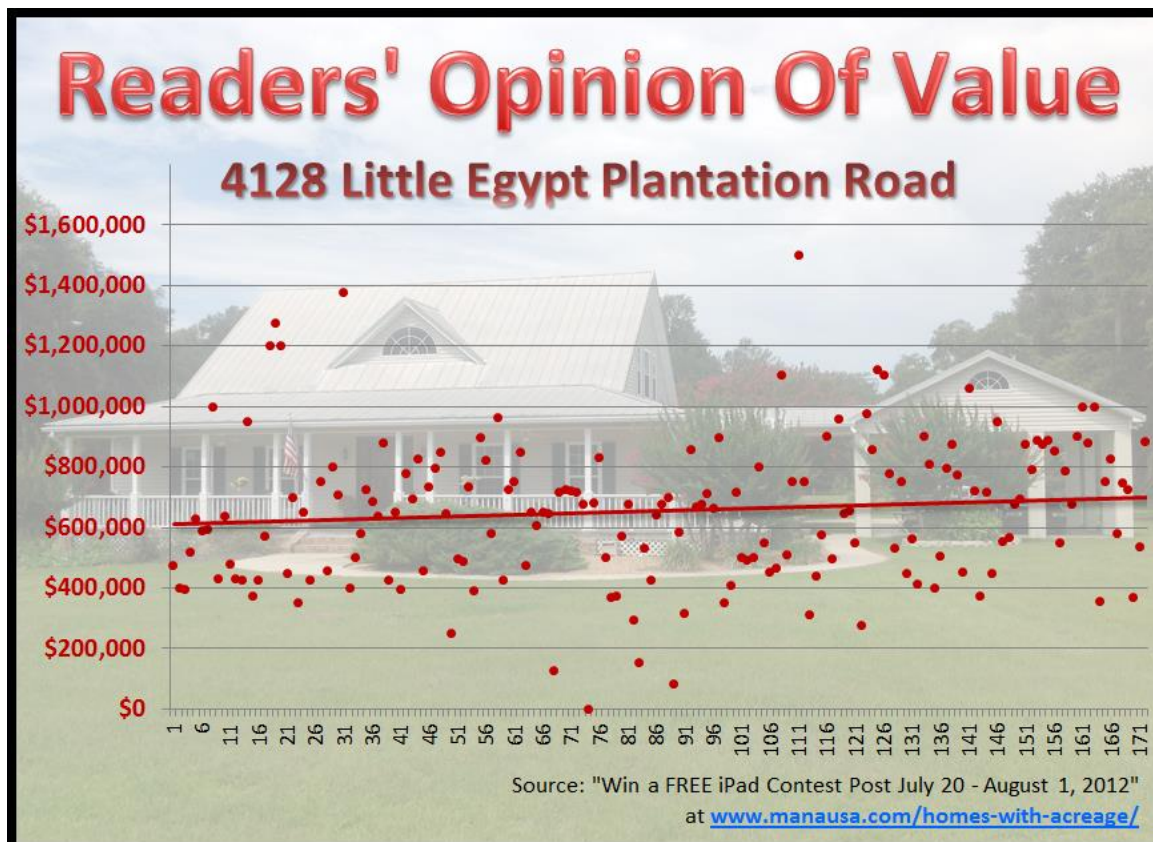
All of the listings in the Tallahassee MLS go out to the major websites like Zillow, Trulia, Realtor.com, Century 21, Remax, Coldwell Banker, etc. They also appear on every real estate agent website with an IDX Feed. Even with this "massive exposure," less than half the homes that hit the market from 2007 through 2012 actually sold during their first listing contract. I think this is enough evidence that exposure is not the primary solution. It also strongly suggests that being on those specific websites has no impact on whether or not they sell.

### **An Example Of Successful Real Estate Marketing**

Recently, we met with a homeowner who had a wonderfully unique property to sell in the Tallahassee real estate market.

We knew this beautiful pool home on over 20 acres would be highly desirable for many different types of home buyers, and specifically for people who love to keep horses.

Due to the low liquidity levels in our current market for this type of home though, the statistics revealed that there were precious few buyers who we would attract with a [conventional real estate marketing plan](#).



We decided to use our "[Coming Soon](#)" program to get the word out about this excellent home on acreage, and we even implemented [a contest to get our readers involved](#).

Our goal was to use our social networking platform to spread the word. A property like this might only have four or five buyer candidates a year, so we needed to leverage far more than traditional real estate marketing methods. And we did!

The graph above shows that 173 people participated in our contest, and more than 160 property flyers were downloaded from our site before it even hit the market!

Our readers felt this was a home worthy of a \$653,000 sales price (the median contest entry value), and we have priced the home far below that amount in order to get a quick sale. You can still see a [video tour of the property](#) any time you like, 24/7!

Having an entire company that could work to promote this property resulted in a sale of the property at a price higher than what the original sales appraisal had forecasted. Our entire staff worked traditional and progressive marketing channels and our social networking allowed us to

reach out to ready buyers right away. Even a year after this sale had closed, several of the competing properties were still on the market, looking for buyers.

## Know Your Product – Preparation For A Successful Home Sale

Selling is selling, and whether you are selling marbles or houses, cars or jet aircraft, there are some irrefutable rules about selling that you need to understand.

Selling a house requires very little additional “product” training because we all “use them” regularly. We know more about houses than we do most other major-ticket items that can be sold, so you are not really looking for a “house” expert, you are looking for a “marketing” expert.

## A House Versus A Home

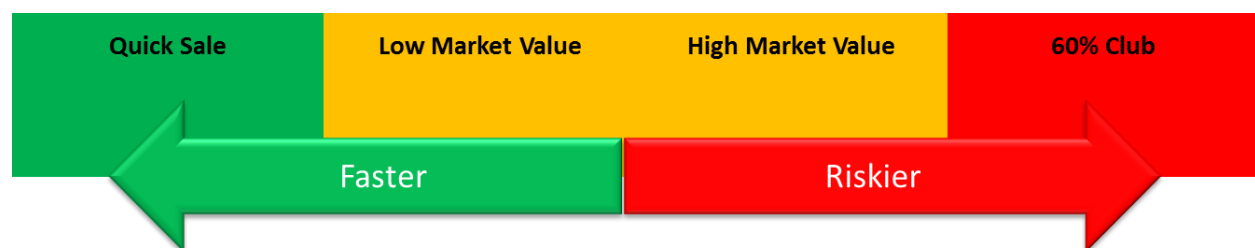
The first thing to understand is that while your home is a castle ... it is merely a commodity to everybody else. I would recommend that you start thinking about your home as a house. You want to sell it, so you need to fall out of love with it right away.



In the higher price ranges in most US markets, there are far more sellers than buyers, so being objective about what you really have is the first step in getting your home sold. You need to be able to see its relative value ... what it is worth in comparison to what buyers can purchase today in the market.

## Conducting Research

We can determine its value fairly accurately by doing research on the internet. So many websites offer valuations tools, but the ones that will work best for you will show you the two key value categories: Homes currently for sale with which your home must compete, and homes that have sold to give you a baseline for what an appraiser might say.



Your research should not be limited to the computer. Next weekend, go out and visit selected open houses (some agents still do these ☺) and try to get inside of the best homes priced the same as you hope to ask for your home.

How do they compare? If you were a buyer, which home would be top on the list (try not to sell yourself on yours ... you already bought it!). Sometimes it is hard not defending the value of your home, but you want to know the truth and it is critical that you discover the prices that your competition will be offering.

It is not uncommon for less-than-serious home sellers to determine that they do not wish to sell their homes right now. Often times, the competition is fierce and many home sellers are downright shocked at the amount of money homes are bringing in today's current market.

## Inspections & Repairs



Hire a home inspector to come out and do a full-blown inspection of the home, before you even put it on the market. This will allow you to identify problems that need to be addressed.

Don't make the "as-is" mistake. Some sellers think that they can sell the home "as is" and not have to do repairs. The mistake in this logic is assuming that buyers won't inspect the home before they purchase it.

Additionally, many home buyers want "ready homes," so they do not view or purchase homes that are offered "as is." This means "as is" home sellers often are dealing with investors only, and investors expect to buy at a discount.

When homebuyers do discover repairs, they will expect a price concession that exceeds the cost of the repairs, in order to be compensated for the additional effort required to buy your home. Remember, it's a competitive market, so don't create a negative starting point for your house.

## Staging The Property



Staging your property is simply preparing your property to be viewed by the people who might want to buy it. Contrary to the people who are peddling home staging consultation, there is a relatively simple approach to staging that you should take.

The most important thing to remember is that your "house" needs to be open and airy and light and bright. You want prospective buyers thinking about living there, and if you have the home so cluttered with your "stuff," they might not be able to see "their stuff" in your house. De-cluttering, cleaning, and fresh paint are the basics for home staging.

## De-Clutter and Clean

Too much clutter and lack of home preparation is one of the biggest mistakes I see from many recent “failed to sell” property owners.

This subject probably has the most expert advice available on the Internet and in the bookstores. Feng-shui, staging, and “How to sell a home” books and articles abound. I’ve put together a short chapter for your review here.

Cleaning and packing stuff away is the most important of all the basic preparations. Rooms, closets and garages need to look neat and clean and as roomy as possible. Cluttered rooms and closets full of boxes and “stuff” make the home look smaller and buyers wonder if their stuff will fit.

The solution to the clutter is to simply get rid of it. Everything that you don't use on a regular basis (which means every other day at least)... put in storage or at least out of plain sight. Seriously, get rid of a lot of your things by packing them away.

Kitchens are the number one spot in most homes for clutter. Quick, count the appliances and other items on your counters. Where can you put all of them? A few weeks of inconvenience in getting them out and putting them away or doing without them is well worth it. Now go through each of your cabinets in your kitchen, all of the counter space, and all of the cupboards to make sure all are clean and neat of “unnecessary stuff.” I’m especially fond of putting away about 2/3rds of all the coffee mugs and glasses into a box and storing them.

Remember that in your bedrooms less stuff is more appealing. Pack away your clothes and shoes; only save the 25% to 35% that you’ve actually worn recently. Take a close look to determine what can go.

- Pack away the books, toys, and gadgets you have lying around. You might buy new bedspreads. Make sure there is plenty of light in each bedroom; curtains and blinds open, freshen the air if needed. Make sure all nooks and crannies are clean.
- Bathrooms: clean out under the sink and the medicine cabinets (people will nose around) make sure there is plenty of light and they are spotless. Do you need to re-caulk the tub and sinks? No mildew allowed. Air fresheners might also be in order.
- Living rooms, family rooms, and dining rooms: pack away the stuff. Make them well-lit and immaculately clean.
- Clean or re-paint all nicks and scuffs. The newer Magic Erasers sponges work wonders on minor scuffs and may preclude the need for repainting.
- Prepare the home when you can for each showing: Dust, clean, spruce up, put out fresh flowers, turn on all the lights, then depart with your pets if the buyers have a real estate agent! If the buyers





are on their own be prepared to answer questions honestly but don't get emotional if they speak poorly about your house; someone has told them they can get it for less if they "tell you" why it's in poor shape.

- The yard should be free of debris, toys and clutter too. Nice flowers can brighten up any area! Coil your hoses. Put tools away. What can you do to make the yard more appealing – a table and chair under a shade tree? Repainting the swing set? New mulch or flower beds? Tree or shrub trimming?
- I don't recommend spending a lot of money on granite countertops, new cabinets, appliances, etc. Home improvements of this type rarely provide a good return on dollars spent. Some real estate agents advocate spending a lot of your money without any supporting evidence that you'll sell quicker and for more money. For example spending \$15,000 in a kitchen might only bring in \$8000 at resale. In some parts of the country swimming pools, spas, and upgraded appliances add no value at all according to the appraisers.

Here's a continuation of some items that you might consider. They are inexpensive – but prudent – when getting your home ready for sale:

- Make sure that the front of your home is spotless all the way up to the front door. Repaint and replace light fixtures if necessary. Often times the buyers spend a lot of time there while they wait for their real estate agent or you to open the door. First impressions are hard to modify.
- Make sure that all of your walls and outside exterior are washed down. No flaking paint.
- No wasp nests, no cobwebs.
- Keep the window coverings open and the lights on at all times during showings unless you are hiding an outside eyesore or very close neighbor.
- Clean and wash all visible features... like your windows, fireplaces, countertops and your tables before anybody sees your home.
- Consider filling in any foundation cracks in the sidewalk, patios, driveway, or walls.
- Repair any leaky faucets in the bathrooms and kitchen.
- Keep your pets out of the way. If you hear them, or worse, smell them you may cost yourself a sale.
- Fix any faulty, rusty, older appliances.
- No drafts. Fix or caulk all windows and doors.
- If your roof leaks or is visibly damaged it may be a good idea to hire a good roofer now; especially if your home is older. A roof near the end of its life or damaged will be a problem during the inspection.
- Outdoor lighting. If you're going to be showing your home at night -outdoor lighting is going to be crucially important.
- Replace dead trees and shrubs. It's a good investment, especially in the front yard, to add new trees and shrubs or remove the old dead branches.
- Everybody loves flowers, keep yours blooming. The cost of replacing flowers is usually minor in comparison to the perceived value it gives your home.
- Make sure the doorbell works. You can replace it with a wireless one if needed. A broken doorbell is a bad start to any showing.

- Have your mailbox repaired or replaced if not in great condition.
- Oil or WD40 any squeaky hinges or doors.
- Put out fresh towels in the bathroom.
- Eliminate all pet odors.
- Use potpourri types of fresheners throughout the house.
- Try to get up the oil stains on your driveway or in your garage. Most hardware stores have concrete cleaner.
- Paint, paint, paint. Nothing freshens a home up more.
- Clean the gutters. Replace downspouts. Make sure there are no running trails of water erosion in your yard.
- Re-stain wood decks if necessary. Replace any rotted wood.
- Make sure all stair railings are tight and secure.
- Mow the grass. Trim all the edges and hedges of your yard.
- If you have a fence – make sure it looks good. Paint it, replace broken boards etc.
- Professionally clean all the carpets in your house. You may need to replace them. Again, this is relatively inexpensive – but very profitable to your bottom-line.
- Clean and Wax all appropriate floors.
- Clean the curtains and window coverings. Replace them if they need replacing
- Make sure any wallpaper is secure to the walls. Peeling wallpaper is a turnoff.
- Straighten all pictures and mantel decorations. Too many pictures on a wall clutter it up.
- Make the kitchen sparkle for each showing.
- Gather the operating manuals and warranties for all major appliances and fixtures.
- Replace any loose, chipped, or broken tiles in the bathrooms.
- Replace shower curtain with a new, clean, bright and fresh one.
- Make all beds – this seems obvious but it's amazing how many homes I've shown with the beds not made and the rooms a mess. You may have to bribe a teenager to keep their room clean. Pay them.
- Keep all stairways uncluttered.
- Have the furnace cleaned and inspected if you haven't done it in over a year. This always comes up during the inspection anyway.
- If your garage or basement is jam-packed full of "stuff" – rent a storage facility and move all the "stuff" to it immediately.
- If you have an automatic garage door opener – makes sure it works. Be sure that you go through each room before a showing or an open house. Remember that each new buyer is "new." They haven't seen your home before-first impressions are critical.

## Curb Appeal

"Curb appeal" is "real-estate-ese" for everything prospective buyers can see from the street that might make them want to take a further look. If the curb appeal is negative they'll drive by slowly



and move on. Enhancing curb appeal is critical to getting buyers to want to come inside. You can sum up curb appeal by driving by your house and seeing if it invites you to come inside.

Remember, if you do your job correctly, your curb appeal is going to greatly influence your internet buyers. Did you know more homes are “rejected” online by how they look on the outside than any other feature? It’s funny, most people “know” they really need to see inside a home as the pictures don’t tell the whole story ... but not with outside pictures. Curb appeal is how your real estate marketing company will “sell” buyers into wanting to see inside.

Neatness sells. Crisp paint, trimmed lawn, neat shrubbery, a clean driveway, potted plants at the front door—put them all together, and drive-by buyers will probably want to see the rest of the house.

Hand in hand with neatness is “neutrality.” If you are going to repaint, stick to light, neutral colors. Keep the yard free of gardening tools and toys. Remember, when a family looks at a house they are trying to paint a picture of what it would be like as their home.



## Photography

We rarely hire a professional photographer to prepare the pictures that will be used to market your house, but we also do not take the pictures for granted. Do not overlook the critical necessity of having great shots featuring the top benefits of your home.

I have included a fairly typical picture from the MLS. Apparently, a real estate agent felt that this image was very important in conveying value to the prospective buyers, and so the solo-shot of the toilet is part of the image package being syndicated across the internet.



Are you looking to buy a toilet?

## General Notes About Property Maintenance

- Remove/replace any special items that you don't intend to leave behind; for example, the chandelier that you love. Replace it before a buyer makes it a part of the negotiations.
- Repair or replace all doors, closet doors, and windows and screens if there are holes, cracks, or rips.
- Check that your doors don't stick or have loose knobs. Make sure your cabinet drawers have no loose knobs, as well.
- Any cobwebs, wasp nests, ant hills etc. should be removed.
- Organize closets and remove stuff which is not necessary and put it in storage. Large closets sell houses; well-organized closet looks much bigger than one crammed with clutter.
- Remove excess extension cords, especially those in traffic ways.
- Dress up windows in freshly laundered curtains, or dust/clean window blinds.
- If any decoration is needed, (especially in the kitchen or bathroom), do it before the house is put on the market! \$20.00 worth of paint may balance \$100.00 in a price cut.
- Open doors to the areas you want the buyer to see such as walk-in closets, pantries, etc.
- Make sure those areas are neat.
- If you have hidden features, like a stairway to the basement, consider making a sign that spells out that feature.
- Ensure that all light fixtures are cleaned (dust chandeliers; clean out bugs from overhead lights; and lamps, etc.), and that there is a light bulb in every socket.
- Clean all windowsills, as well as any space between windows and storm windows.
- Windows should be in good repair with no cracks.
- Any paint on windowpanes should be removed with a razor blade prior to cleaning.

## Showing Advice / Preparations

When someone is coming by to see your home, I suggest a few practical preparations such as:

### *Lighting*

- Keep all doors unlocked within the home. Buyers want to see all the rooms (and closets); if they can't, it slows up or even stops the buying process.
- Turn on all lights—day or night! For a night showing, turn on all of your inside and outside lights, create a glowing warmth around your home as the potential buyers drive up.
- Open all the drapes and shutters. Make your property as bright as possible. Buyers these days typically want homes with lots of light!

### *Kitchen*

- Make sure the sink is clean and free of dirty dishes.
- De-clutter the countertops: they appear more spacious when clean and uncluttered.
- Freshly mop the floors and baseboards of your kitchen — sparkling is the goal.

### *Mood*

- Leave soft music playing. Turn off any blasting television or radio.
- Place some potpourri throughout the home to help make it smell fresh and clean.
- Create a positive mood. If it is a cold day, make sure your home is heated, and if it is summertime, keep your home cool. Snacks and drinks might also be offered.
- Add a special accent to make your house appear comfortable and inviting: an open cookbook, cut flowers in a vase, or something baking in the oven (or bread maker.)
- Never leave valuables that could be easily “pocketed” (watches, jewelry, smaller items of emotional value) out in plain view. Unfortunately there are some unscrupulous types out there. Also never tell “prospects” your schedule; when you're not home etc. You never know who might be casing your house out. If you must turn down a showing simply state that it's not possible at that time.



*During the Showing, place your property brochures in a conspicuous place; you could place a small sign asking agents to leave their business card. This is for your safety and it allows you to communicate to your real estate company the name of anybody who has shown the property (so they can call them for critical feedback.)*

### ***The Presence of Pets***

Keep pets out of the way when showing, preferably out of the house. Some buyers get annoyed or they are allergic or scared of animals. This often diverts their attention significantly and then they can't remember anything about your house except for your pet.

If at all possible don't have too many people present during a showing since the potential buyers may feel like intruders and want to hurry through your house. Worse still is that they'll put you on the spot by asking you direct questions. "Is that staying with the house?" and force you to make a hasty decision. Your goal should be to get them to spend as much time in your home as possible so that they can "see how it could be their new home."

When a real estate agent is showing your home, take a short walk with your children and pets. Leave the premises to the potential buyers or, if that is not possible, let them go through the home without interruption or discussion! Do not speak with either the agent or the buyers ... get out of there fast. Do not have guests over during the time a showing is scheduled, if at all possible.

### **Everyday Checklist**

1. Remove any and all toys, bikes, tools, trash, and animal waste from your yard
2. Keep all steps clear of hazards—old newspapers, laundry, toys, pet toys, etc.
3. Wash dishes
4. Put away clothes
5. Straighten up newspapers, etc.
6. Make beds
7. Open the draperies, pull up the shades and let in the sunlight.
8. Install high wattage light bulbs so that there is a lot of light. Turn on all lights.
9. Remove "clutter" from each room. Remove things such as coats, shoes, clothing, pet toys, pet food, pet food bowls, trash cans, toys, child safety barriers. (Rooms with no clutter look bigger.)
10. Dust and vacuum floors often (daily, if possible).
11. Wipe showers after each use.
12. Water and prune indoor plants



13. Wipe down the bathroom counters. Make sure towels are hung up, and the bathroom rugs are straightened. If you have any energy left, just relax!! Once the clutter is in check, tidying up prior to showings should take a minimal amount of time. And remember, the need to keep the home “show ready” is temporary.

## How To Determine The Fair Market Value Of Your Home

### Real Estate Supply And Demand

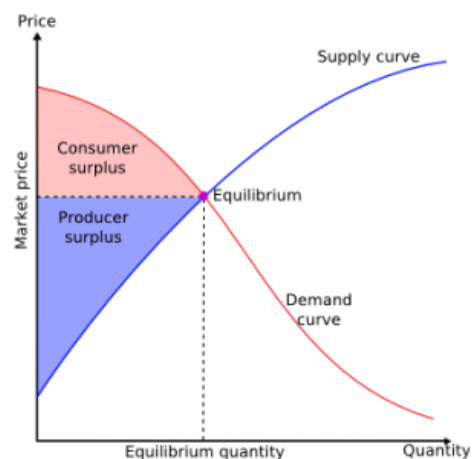
There are so many distractions that can lure us away from our study of the real estate market and finding the direction of the market. With inaccurate reporting, hype, and media blitzing, it is a wonder anyone really knows what’s going on at all.

But don’t worry, it really isn’t that hard to tell where the real estate market is heading. All we need to do is take a quick re-examination of Economics 101 and realize that [real estate supply and demand](#) actually does matter in the Tallahassee real estate market.

### Understanding Real Estate Supply and Demand

The real estate market operates under the same pressures and forces that guide every other type of market. The Law of Supply and Demand dictates that prices are pressured towards an equilibrium point (as we see in our graphic on the right) that is defined by the intersection of the supply curve and the demand curve. So what does this graphic tell us?

- If Demand increases, then producers can raise prices (builders and home owners)
- If Demand decreases, then inventories build (Supply increases)
- If Supply increases, producers must do something to increase demand (and/or stop producing)



### Tallahassee Home Inventories Are Too High

Basically, the above “Law” and the subsequent bullet points are a snapshot history of what has occurred in the [Tallahassee real estate market](#). Demand increased, due to many factors. Producers (home builders and developers) increased production to meet the demand. In 2006, producers did not adequately react to the rapidly cooling market (decreased demand) and thus inventories started building. Now, builders are building less and the supply is coming down.

Lower interest rates and lower home values have increased demand, thus the inventory is moving back down towards Market Equilibrium.

### Normal Months Of Supply of Homes Is 6 Months

Most housing markets view market equilibrium when supply hits 5 to 7 months worth of homes. If the inventory level drops below 5 months of supply, we refer to this as a “Seller’s Market.” If inventories build to 7 months and beyond, we refer to this as a “Buyer’s Market.” As you might have figured out, the Tallahassee real estate market is still in a Buyer’s market for the top 5% of homes.

Every area and every price range is a market within itself, so it would be a terrible error to assume the nature of your market based upon a headline or simple real estate article in the newspaper. You must come to know the supply and demand for homes that will be competing with yours in order to determine the relative supply of homes for sale.

### Liquidity In Real Estate

When pricing a home to be sold, it is imperative that you analyze and recognize the importance of liquidity in your housing market. For high end homes, values are dropping in most US markets and the traditional method of price and wait is no longer working to the advantage of those homeowners who must sell their homes.

Investopedia defines [liquidity](#) as the degree to which an asset or security can be bought or sold in the market without affecting the asset’s price. Liquidity is characterized by a high level of trading activity. Assets that can be easily bought or sold, are known as liquid assets. So how does this all factor into pricing a home to sell in your local real estate market?



We measure liquidity as a relative measurement in real estate. High liquidity is the range of home values that have the most home buyers, low liquidity is the range of home values that have the least buyers. The higher the liquidity, the tighter our value ranges and the better we can estimate the final selling price of a home. If you look at the image above, it shows a simplified view of liquidity in most real estate markets (the higher the price, the fewer the buyers).

#### *Applying Liquidity*

Applying the concept of liquidity when determining the value of a home starts as a mathematical process, but ultimately ends with an application of experience. The best way to demonstrate this is to look at a simple chart of [supply and demand of homes for sale](#) (Tallahassee will serve as a good example) and then break it down into the easy to understand information that home sellers need to make a decision on pricing.



PRICE RANGE	For Sale			Sold (Past 12 Months)			Months of Supply		
	All	New	Resale	All	New	Resale	All	New	Resale
<b>Northeast Leon County (Area 1)</b>									
\$0 - \$75,000	11	0	11	22	0	22	6.0	No Sales	6.0
\$75,000 - \$100,000	39	0	39	43	0	43	10.9	No Sales	10.9
\$100,000 - \$125,000	72	0	72	76	0	76	11.4	No Sales	11.4
\$125,000 - \$150,000	100	0	100	83	0	83	14.5	No Sales	14.5
\$150,000 - \$200,000	224	1	223	304	7	297	8.8	1.7	9.0
\$200,000 - \$250,000	190	15	175	207	24	183	11.0	7.5	11.5
\$250,000 - \$300,000	133	7	126	139	17	122	11.5	4.9	12.4
<b>\$300,000 - \$500,000</b>	211	12	199	<b>183</b>	13	170	<b>13.8</b>	11.1	14.0
\$500,000 - \$750,000	52	0	52	34	1	33	18.4	0.0	18.9
\$750,000 +	47	1	46	8	2	6	70.5	6.0	92.0
<b>Totals</b>	1079	36	1043	1099	64	1035	11.8	6.8	12.1

In the real estate chart above, we see that there are 13.8 months of supply of homes for sale in NE Tallahassee priced between \$300,000 and \$500,000. That means that if no other homes are listed for sale in this price range, we have enough inventory for the current rate of demand for well over a year. This is definitely a case of “over supply.” With 183 homes selling in a year, or 15 per month, we can say that there is a moderate level of liquidity and we can determine a home’s current market value to a fairly high degree.

When we look at homes priced above \$750,000, the liquidity drops to fewer than 1 buyer per month! By observing liquidity in the real estate market, we know that our confidence in pricing a \$1M dollar home is far lower than our confidence in pricing a \$350,000 home. But what does all of this mean to somebody who wants to sell a home in NE Tallahassee?

### *Real Estate Liquidity And Market Feedback*

If you are trying to sell a \$1M home in Tallahassee, there are likely few buyers for your house. It might be weeks or even months between showings, and a decision to purchase is only going to be made every 6 weeks.

However, if you have a \$350K home for sale in Tallahassee, then there are 15 decisions going to be made each month. That means your home should be shown every other day or more, otherwise, you are overpriced. Every 2 days somebody decides to buy a home for \$350K, so if you are on the market, being shown on a limited basis, the market has spoken and it does not like your price (assuming that you are utilizing an aggressive internet marketing campaign to reach ready buyers for your home).

### **Online Valuation Tools**

We get a lot of reader questions each week after we publish the [Tallahassee Real Estate Newsletter](#), but the question we see most frequently is “What is my home worth.”



I suspect that as the real estate market starts to move in an upwards direction, we will start to see some trapped homeowners anxious to enter the market.

They have been trapped with mortgages that outweigh the encumbered homes, so it's only natural that they start asking "what is my home worth" as news of improvement is reported.

### *What Is My Home Worth? – How We Find Out*

Before we get into the gyrations of appraising a home for its market value, I urge you to consider that [it is what it is](#).

That's right. A professional real estate agent will look at what has sold, what has failed to sell, and most importantly, what is available on the market that will compete with your home for a buyer.



In Tallahassee, sellers still outnumber buyers in the higher price ranges, so properly assessing the competition is often worth tens of thousands of dollars to the home seller. In the past, we have discussed the critical importance of [choosing the best initial asking price for your home](#), so make sure you understand the strength and depth of your competition.

### *Online Tools Help Answer – 'What Is My Home Worth?'*

There are numerous online valuation estimates, and I think they are a great place to start.

Unfortunately, they are mostly accurate for homes in large neighborhoods where the properties are highly similar.

As soon as you throw variables at them (lakefront homes versus ones on the other side of the street, homes with swimming pools versus not, etc.), the tools have a tendency to miss out on the features that add value. Thus, for homes in smaller neighborhoods or ones where the amenities differ greatly from one property to another, these online tools have a tendency to over-value the low end homes and under-value the higher end homes.

In my recent article about home valuations, I discussed some of the benefits and pitfalls of using an online home valuation tool. But apparently my "dusting" of the subject caused a few people to want to know more.

Specifically, they asked about whether the Zillow real estate value of their home was more or less than its current market value.

### *The Accuracy Of Your Zillow Real Estate Value*

First of all, I am somebody who really appreciates the technology gains that have arrived for the real estate industry.

The ability to analyze the Tallahassee real estate market is so much easier today than it was 22 years ago when I first became a real estate agent in Tallahassee.



There is a (rather large) school of thought among my peers that says machines will never replace real estate agents when determining the fair market value of a home, but I am not of that mindset.

The value of a home is simply related to what a buyer would have to spend in order to get something very similar to the subject home. There are variables that must be considered, and the current state of supply and demand influences valuation (lots of buyers trying to buy few homes drive prices up, while few buyers and lots of homes on the market creates pricing pressure).

Ultimately, the majority of homes will eventually be accurately valued with an online tool, as all these variables are learned, stored, and programmed. Right now it appears as if the Zillow Real Estate Value Tool is leading the way towards this solution.

### *Local Zillow Real Estate Value*

Unfortunately, the Zillow real estate value is not yet accurate. They utilize far too few of the critical variables to determine the true market value of your home, so be sure to consult a top real estate professional before deciding upon your initial asking price.

I would not expect the Zillow Real Estate Value Tool to be accurate enough to rely on for at least 3 to 5 more years, as they have data collection issues which they have yet to solve.

Don't be afraid to check your home's value on the Zillow website, but if you want more than just a ballpark figure, you currently need to get an analysis from a human being.

### **What You Really Want From a Real Estate Company**

Most sellers want a real estate company to get their home sold. Some are more focused on timeliness, while others focused on getting top dollar. Regardless, a home selling plan that does not get a home sold is very costly in both time and money for a seller.

A real estate company that understands how to use the full power and resources of an internet marketing plan will be keyed in on homebuyer behavior.

## Understanding Buyer Behavior

You might never have sold a home, or maybe you've sold one many years ago, so you might be wondering what home buyers are like these days! Understanding homebuyers is a very critical element of selling a home.

## Buyers Have Not Changed

I will tell you that the good news is that buyers have not changed. They have all the same emotions running as they have had in the past, and all the same hopes, fears, excitement and worries as ever. Buyers haven't changed.

## The Tools That Buyers Use Have Changed

But the tools that buyers use have changed a lot. In fact, the changes in technology have totally changed the process that buyers use to find a home. The real estate company that you hire needs to know what changes are required in order to lure the highest number of prospective buyers to your home.

## To Sell To A Buyer You Must Think Like A Buyer

I like to tell my home selling clients that "to sell to a buyer, you must think like a buyer!" Observing the activities of homebuyers gives me a clear roadmap for attracting them to a house that needs to be sold. It's a little like fishing ... if you want to catch a bass, go to where the bass are!

First of all, you have to understand the process that your prospective buyers utilize when it comes to shopping for a home. A recent study by the National Association of REALTORS found that 94% of homebuyers are using the internet when they buy a home. That means the best way to reach homebuyers is through the internet, thus the need for an internet marketing plan when selling your home.

While this might make perfect sense to you as a consumer, ironically it has not reached the majority of the "experienced" real estate agents in the US.

You see, most real estate companies have not caught on. They might be "advertising" on the internet, but they are failing to reach the vast pool of internet consumers. Just think about your own personal experiences on the web, do you "click" on ads? Do you even notice them there? From my experience, advertisements on the internet are a great waste of money.

And what about those real estate agents and companies that commit a significant portion of their marketing budgets to newspapers and magazines? Do not be fooled by those that do, they will say "we are everywhere ... not just on the internet."

The reality is that nobody has an unlimited budget, so the money they are spending in the papers and magazines is money they could have been spending on the internet (where 94% of your buyers are lurking right now!!!).

In doing your research to select the best real estate company for the job of selling your home, check out the magazines and newspapers ... it's a great place to eliminate companies with a poor marketing plan.

Now that you know that "advertising" your home on the internet is not going to work, I want to share with you the 3 stages of the home buying process on the internet so that you can find the real estate company that is doing the types of things that will generate the most potent results for selling your home.



Homebuyers on the internet are looking for answers. The millions of visitors that have reached the [Tallahassee Real Estate Blog](#) and my other internet marketing websites have taught me critical lessons in the behavior of consumers on the web. This study in homebuyer behavior has allowed me to completely re-engineer the marketing of homes for sale by our company.

The graphic above was created from a real estate internet marketing study which showed that homebuyers go through 3 distinct stages during the prolonged process of buying a home. They start out as "**information seekers**" who want to know more about the types of homes that are available. They look at properties on the large aggregate real estate sites which spend millions of dollars each year to get them to their sites.

These information seekers are not buyers. Some will buy within 9 months, others are merely curious or are interested for reasons other than buying. The real estate internet marketer must fulfill the needs of this shopper or most likely there will be no return visit. Ironically, most of the internet marketing I see from real estate companies is designed to lure this information seeker, yet nothing on their websites is geared to answer their questions and gain a return visit from this seeker of information. But you as a home seller are not interested in this group of shoppers, you are seeking buyers!

After several months, the information seekers either lose interest in real estate, or they become a more serious type of visitor, which I refer to as a "**comparison shopper**." These people have decided that they want to make a move, so they start gravitating towards [regional websites that have local information](#) that the large aggregate sites just cannot produce. Information about neighborhoods, [local real estate market analysis](#), [map-based property search engines](#), and many key tools are the most often utilized resources that comparison shoppers want on a real estate

company website. They will return often to utilize these tools that help them fine tune their needs and wants. Again, you as a home seller are not interested in this group, as they will not be making a buying decision in the next 90 days. You want to sell your home now!

Finally, these visitors become “**ready buyers.**” After months of researching the processes and tools, as well as their needs and wants, the ready buyer is just waiting for the emotional trigger that will push them to make a move. A real estate internet marketer who understands the ready buyer will have just the right devices ready to assist, but only when this buyer is ready.

It is these “ready buyers” that you as a home seller are seeking. And you can be sure that they are congregating on the regional site with the best content. While most of these hundreds (or thousands) of ready buyers will not be seeking a house just like yours, the ones that are a fit will make an offer right away.

That is why it is so important that you hire the regional real estate company with the best content, so that your home is prominently featured to buyers who are ready to make a decision. Ironically, if you hire correctly, the company has already done all the work necessary to attract buyers for your home, they are merely waiting ... for your home!

The role of internet marketing in real estate is growing at a feverish pace, and techniques and processes that are working best continue to change on a near-daily basis. Internet marketing is not something one learns, rather it is something one studies all the time and the learning process never ends.

I expect to see the world of real estate brokerage change in the coming years, perhaps in a similar fashion as the stock brokerage industry experienced starting more than ten years ago. The general confusion in our industry has created a majority of real estate agents who are not properly trained to work in today’s electronic world.

## **You Are Now In A Competition**

Too often, sellers do not recognize that they are competing with all the other sellers out there who have similar homes. A great analogy can be seen in car sales. If you are selling a used Honda Accord, then you are competing against all the other Honda Accords out there. But you are also competing against Toyota Camry’s and other similar cars. To get a car sold, you have to be priced attractively within the group of cars that you are competing against.

What are you doing to make the buyers think your house is the best value? You are not just competing against homes for sale in your neighborhood, you are competing against all similar homes in a geographic range that buyers would consider living. Even if the homes are miles away, they still might be competing for the same group of buyers as you.

## Winning The Battle For Buyers Requires Targeted Marketing

A targeted marketing campaign will allow you to go directly to these buyers and present your case! Most US housing markets have far more sellers than buyers, but you can gain a leg-up on your competition by targeting the buyers that are ready to make a decision today.

Here's a thought that you should really ponder... Most real estate listing agents will tell you "I'll put your home in the MLS, and on realtor.com, and on trulia.com, and on Zillow.com, and on century21.com ... in fact, I'll put your home on more than 500 websites!"

Now to me, that sounds like massive exposure. How about you? 500 websites that all attract people interested in real estate. Sounds like a good plan, right?

Well, consider this. In 2012, more than 40% of all listed properties on those sites failed to sell! Ouch! I guess being massively exposed is not the answer.

Targeted exposure is bringing those "ready buyers" on the internet to your house on the internet. That's right, you need at least one dedicated page (or more) to use to attract homebuyers.

Targeted marketing is about herding the right buyers from all across those 500+ websites and bringing them to your home.

## Herding Buyers To Your House

Many sellers have a "build it and they will come" mentality to getting a home sold, and that is just a poor methodology that rarely works today. The fact is, we know where the buyers are, and we have to take the home to the buyers. I refer to this as "herding buyers" to your house.

Of course, prior to computers, the methods that were used to drive traffic to each real estate listing were very different than the ones that we use today. But the processes that defined each method has not changed one iota!

You see, marketing is marketing. Marketing is about spreading the word, about moving people to take a step, to create interest and desire. Marketing is about herding buyers across the world to a very important location in time and space.



We used to herd buyers that we found in newspapers, magazines and specialty publications, but the internet changed all of that. We now have to travel the dusty plains of the internet to find 94% of the free-roaming buyers who need to be brought to our home pasture.

And that is what successful real estate marketers do to get a home sold (at its highest value), so that is why it is so important for you to hire the real estate marketing company in your region

that dominates the internet (if you want to sell your home fast, and for top dollar!). The right real estate company will accomplish this with three different processes.

### The 3 Critical Processes In Real Estate Marketing

Everything we do in our marketing to herd buyers to our listings can be boiled down into three separate groups. Each of these groups or processes has a different purpose and a different shelf life, but all are part of a critical triad of “must do” processes if we want to drive the maximum number of home buyers to our listings. As a home seller doing research, you should be trying to find a company that is doing (daily) what we do. Here are the three types of processes and why we do them:

**Active Marketing** -These processes are the things that we do each and every day in order to drive new traffic to our web site and to our listings. We post new blog articles both on our site and on multiple other web sites to drag “information seeking” homebuyers to our [property search tool](#). We post images and ads all over the internet as well for the same reason, with a focus on what information seekers and comparison shoppers are targeting. Finally, our list based marketing program is state of the art and has no equal in the Tallahassee real estate market. For motivated home sellers, this active marketing campaign is a “must have.” No agent or agent team can produce the volume of content that we publish ... and that is why we dominate the internet locally, and that is how we sell our listings fast, and for top dollar in Tallahassee.

**Passive Marketing** – We have many well positioned articles on many large and influential sites that bring awareness to who we are and what we do in the Tallahassee real estate market. Additionally, we have many sidebar enticements on our web site that pull our visitors to our listings. This additional exposure is often the difference between a competitive sale (multiple buyers) and one that either fails to sell or only has one interested buyer. If you want to get the absolute top dollar for your home, it is imperative to have multiple buyers engaged.

**Progressive Marketing** – Progressive marketing is to real estate as mayonnaise and ketchup are to the McDonald’s Big Mac. This is our Special Sauce! It is what we do to drive a significant amount of our traffic to our site, even as our competition sits and wonders what we do.



The great part about our progressive marketing processes is not so much about “what” we do, rather it is “how” we do it. We are able to derive so much more traffic from these techniques because our creative application of available tools on the internet. And best of all .... They have been at work for you and we have your buyer waiting.



From running multiple ads daily (free) on Craigslist to promoting homes through [Facebook](#), [Google Plus](#), [Twitter](#), and [Pinterest](#), the key is to bring the power of your social network to the effort of selling your home. We have well established social networks (including one of the largest real estate brokerage identities on Twitter (go here to [follow us on Twitter](#))).

Very often, the buyer for a home is somebody who knows somebody who knows somebody we know. Ask us to show you our social networking plan (and ask that of everybody with whom you interview).

## **How To Get “Ready Buyers” To See Your Home**

Ok, you are motivated to sell. You are confident you’ve got the right price. You have hired the best real estate marketing company. It’s time to let the world know.

When you market the home it’s important to understand that you are marketing to two very distinct markets: 1) The buyers out there looking on their own for a home; and 2) The agents who have buyers committed to working with them.

The real estate agents out there are looking to make a sale, so we want them to want your home. This means you have to be a great value in the market, and you have to be willing to pay them as much as anybody else. If an agent has other options to show their buyers a home that pays more to the agent, they often will skip over a discounted commission listing in favor of a comparable property listed with another agent. This is a reality. So your marketing to the agents needs to show them why showing your home is important to their clients.

Marketing is a numbers game. You want as many potential buyers as possible to see your offering and then decide to come see it. Because you priced it fairly you’ll be able to generate offers. The more offers you get, the more competition you create for the buyers, the more money you’ll put in your pocket.

### *What is it that is most important to the buyer?*

Because no one cares why you like your home – you’re not the one buying it. You have to understand this key point when we are creating marketing pieces to promote your home. I like to suggest you write down the 10 things you liked best about the home and living in that neighborhood. Your real estate company can expand upon these points into emotional marketing points that will appeal to buyers. For example if there’s a great family room with a high ceiling they might tell about the large Christmas gatherings you have around the 15 foot tall tree.

The most crucial, important aspects of your home – and why buyers would be attracted to them needs to come out in every ad, letter, flyer or brochure created by your marketing team. If it does not come across loud and clear – you have a reduced chance of selling your home (and certainly

not at top price). Ads like “4/2 spl t lvl with master on main” don’t sell. “Room to roam in this expansive home with huge master suite on the main level” is more attractive and descriptive.

It’s amazing how many people you know that know of someone who is looking to buy a home. I consider this so important that I teach my agents to ask our home sellers “who do you know looking to buy or sell a home” on a regular basis. I cannot tell you how many times we sold a home to a buyer that was referred to us by a current seller client.

Many listing agents have had success in the past without having to do any formal marketing whatsoever... by just telling everyone they know about their home for sale. Even though the internet has grabbed the buyers, we still do not want to let a buyer or two slip away from us (remember, multiple buyers = a higher price for your home).



One final thought on internet marketing for real estate ... It’s the “green way” ... meaning you won’t waste paper and you should be able to generate all the green you want for your home.

## How To Guarantee Success When You List Your Home For Sale

First and foremost, you need to determine your motivation level before you even begin interviewing real estate companies for the job of selling your home.

### Your Motivation To Sell A Home

If you’ve read everything up to this point, then you likely know what buyers want and you understand your competition and how to value your home. That means the next and final step is to identify and understand your current situation.

It’s time to ask yourself a tough question ... Are you motivated enough to sell your home? Here’s a simple test:

Pick which of the below choices best describes you. Think seriously before you decide, as this will help you greatly.

1. **The Casual Seller** – The casual seller says things like “We are not in a hurry,” or “We don’t want to give it away.” You can expect this person to say “We will sell if we can get \$X ....”
2. **The Serious Seller** – The serious seller says things like “I understand the market and I’m willing to sell my home for what I’m seeing out there.” This seller is ready to sell at “perceived market value” and they expect to price their home with the competition to get it sold.

3. **The Very Serious Seller** – The very serious seller must sell now. They are willing to create a perception of value and entice buyers to select their home before all others.

So, what kind of Tallahassee home owner are you?

### Who Will Sell Their Tallahassee Home?

If you answered the above question as honestly as you could, you need to know that the casual seller is not going to sell their home in Tallahassee, in today's market. There is just way too many [homes for sale in Tallahassee](#) and the casual sellers are doing themselves and the very serious sellers a dis-service by adding to the inventory.

The Tallahassee housing market will eventually recover and there will again be great times to sell, but today's buyer pool is looking for value. Even the serious seller in the higher price ranges is most likely not going to sell their home. With abundant supply in the Tallahassee MLS, plus new short sales and foreclosures just entering the market, I suspect only the very serious sellers will be successful over the next 12 months.

### How To Avoid Being A "Failure"

So many people get off on the wrong foot when they first launch their home selling plan.

The National Association of REALTORS claims that 64% of homeowners hire the first real estate agent that they speak to, and the hiring decision is based upon two simple factors:

Do they like the real estate agent? and

Do they like the price the agent gave them for the value of the home.

At face value, that seems relatively harmless, but if you dig deeper to understand the way a modern home selling plan works, then you will quickly discover what more than 40% of all home sellers find out the hard way.

#### *Demand Proof That The Home Selling Plan Works*

In today's tough housing market, fewer than half the homes that come onto the market actually sell.

Think about it ...

64% of home sellers hire the first agent they like, and they don't even take the time to find out how successful that agent, or more importantly, the success rate of the home selling plan of the real estate company.

The biggest mistake that they make is that they do not explore the home selling plan, and they assume the agent that they hire will succeed.

A daily measurement of the home selling success rate for the past five years has fluctuated between 30% and 59%. If sellers knew this before they got started, perhaps they would endeavor to understand the home selling plan of each company that they interview.

### **You Are Experienced Now ... Get Empirical**

You might have hired a friend without doing due-diligence when you first listed your home for sale. But that did not work out, so follow a plan this time around. You will be glad you did when your home sells for top dollar in a short period of time.

### **Beware Of The Unscrupulous Agent**

Can you believe that there are real estate agents that will list your home for sale for an amount that they are certain will not get it sold? Now think about this ... they will market your home at a price that will not get you moved and will not get them paid. Why on earth would they do this?

Because they think they can talk you down in price over time. I consider this an unethical practice that causes harm to home sellers.

### **Do Not Agree To Blackmail From Your Real Estate Company**

While it is a major mistake to list with an agent who practices in an unethical fashion, sometimes it is just so hard to ignore the “too good to be true” opinion on your home. If you have to work with this unscrupulous agent, at least be wise enough to have a cancellation clause that allows you to fire them at any time, with no penalty to you.

Most will want you to pay a fee (reimbursement ???) for their efforts (which they knew would fail at the price on the agreement). Many use the cancellation fee to keep you locked in to their company until they can beat you down in price ... it just does not make sense for you.

### **Completely Evaluate The Companies You Choose To Interview**

There is a fatal mistake made by many failed home sellers when they start the process for hiring their second agent (real estate company). This mistake actually occurs when doing “the right thing” by interviewing multiple agents for the job of selling their home.

This terrible mistake that I see homeowners make can be found in how they interview the second agent (and following agents) during the process of selecting an agent.

The first agent comes in and gives them information about the market and the marketing process. This establishes a “baseline” of education for the home seller, and then they proceed to interview the following agents.



But when the following agents want to address information covered by the first agent, it is VERY COMMON for the seller to respond with something like “I already know this/understand this.... let’s move on to what else you have.”

You see, they feel as if they already learned that information from the first real estate agent, so why bother taking time to address the entire home selling plan again?

And that is the mistake.

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*If you want to sell your home, you have to both educate yourself on the process, but also educate yourself on the preparedness, education, and knowledge of **EVERY** listing agent. Do not abbreviate any agent’s presentation, as what is cut-out might be the very information that identifies that candidate as “less capable” than the initial real estate listing agent.*

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While it can be tedious to listen to a presentation from A to Z from more than one person, it will also be your undoing when you do not require the later agents to fully brief you. Have ALL agents give their opinion of market conditions and how their marketing plan specifically addresses the conditions that are most likely going to affect you when you try to sell your home.

When you cut-off the presenter, you unintentionally credit him with all the skills, service, and knowledge of the first presenter.

Recently, we were hired by a home seller who had failed to sell their home with the previous real estate company. Sadly, we had interviewed for the job of selling her home that first time and had presented before any other agent.

We asked her why she chose to work with the other agent, and she said that the other agent was willing to cut their fee to get her business.

We asked if she had spent much time with them and she confessed that our presentation was so informational that she did not feel the need to go into as much detail with them, she just assumed they would do all the things we do as well.

But they didn’t.

So six months later, she hired us and we sold her home in 12 days. With a real estate marketing plan that works.

## Where To Conduct Your Evaluation

If you are like most home sellers, you find it convenient to invite an agent or two into your home and you have them “pitch” to you the reasons why you should hire them to sell your home. They come right to your home so that you don’t even have to visit the real estate office in which they work.

And therein lies your biggest mistake. It is expected that 40% of the homes listed for sale this year will fail to sell during the term of the listing period. Why? Because they are not making a real estate agent “prove” anything, they are just listening to a sales pitch.

### *Why You Must Visit The Real Estate Office*

A prospective home seller is about to sign a contract with a real estate agent and commit to spending tens of thousands of dollars for a service. The difference between success and failure could be yet another ten or twenty thousand dollars (even more on higher end homes). This is some very expensive service being purchased, yet home seller surveys reveal that the typical home seller only interviews one agent, and does so in their home.

So why am I making such a big deal about conducting the interview as part of a visit to the real estate office?

*Do you buy a car without a test drive?*

No of course not. Even though you are pretty sure you know what to buy, you have to first “check it out.” After all, you spend tens of thousands of dollars for a car, right? You don’t want to just buy one and then hope it performs. No. You visit the dealer, you speak with a salesperson, then you test drive the car.

Do you just buy the one the salesperson recommends? No! You drive it down a quiet street, and then you give it some gas on the freeway. You want to know what you are buying, right?

Why is selecting the real estate agent or real estate company for the job of selling your home any less important? You test drive a car to ensure that the performance that the car salesperson is selling is the performance that you are receiving. You must visit the real estate office to ensure that the performance that the agent is selling is in fact what the company can deliver.

Remember, inside of your home a salesperson can promise you the moon. They can tell you they are a top producer and can get your home sold. And inside of your home, they can seem to be the answer to your problem. Yet we know that nearly half of all home sellers will fail over the next year, so this selection method is for the losers!

Visit the real estate office and meet with the Broker. Ask to meet the staff and find out who will assist the agent in the job of selling your home. You are spending tens of thousands of dollars, it



is OK to be demanding! Know that you are getting the best by test driving the entire real estate office, not just one person in the organization.

### **What Many People Find the First Time They Interview a Real Estate Agent**

I created this (funny) real estate video several years ago and tens of thousands of people have seen it. I made it because it was what our industry so often projects, but I want to let you know there are those of us who are professional and unlike the “agent” in the video.



Something that I learned early in my Army days that has been reiterated my whole business life is:

*You can't **EXPECT** what you don't **INSPECT**!*

Come visit us at Joe Manausa Real Estate. Inspect our [Progressive Marketing Plan](#) and expect to get your home sold fast!

### **How To Analyze A Home Selling Plan**

You do not need to be like the majority of home sellers who fail in their first few attempts at selling a home.

If you follow these 7 tips, you will hire the right real estate company on this attempt, and you will sell your home for top dollar.

## **7 Home Selling Plan Tips**

### **1. Find out the success/failure rate of each company that you interview.**

You only have 1 home to sell, so you don't care how many homes that agent or company has sold. You should be more concerned with the success rate of their home selling plan, rather than just the raw number of sales that they completed. For example, maybe they are "#1" in the number of homes sold, but what if they are also "#1" in the number of homes that failed to sell. Do they just list properties and hope they sell?

### **2. Find out how many people will "handle your file."**

Beware of the "I do it all agent," because no agent could come close to delivering my progressive home selling plan. It takes more man-hours in a day than any three people could handle, let alone some "super-agent" who also has to deal with other customers, other customer inquiries, and the multitude of tasks most real estate companies require of their agents.

If an agent tells you that you "hire an agent, not a real estate company!," they are really telling you that the company that they are affiliated with does nothing to help the agent sell the home. This is VERY COMMON in our industry. I often see homes sell for 10 to 15% less when an overwhelmed agent tries to "do it all" and does not have the means or knowledge to execute a progressive home selling plan.

### **3. Get them to show you their list marketing plan.**

This one is huge. If they are telling you that they will "expose" your home on websites they do not own, then they most likely have no idea about how listing marketing is used to expose home buyers to new real estate listings as the basis of a targeted home selling plan. If they are successfully using this modern home selling plan process, they should be able to show you several thousand people (real time information) that are currently looking to buy a home in your local housing market.

This group of people will be shown your home in the first 4 days of being on the market, and it is the list that should already contain the buyer for your home. It does not take months to sell a home, and that should be important to understand in a market where values are falling. The sooner you sell, the more money you will receive.

#### **4. Find Out Their Daily Marketing Efforts On The Internet**

Here's the way you determine the value of the company (behind the agent). What are their daily marketing efforts? Take a close look at their keyword-rich real estate blog that is driving traffic to a property search tool that has ALL of the homes in the MLS, and gives preferential treatment to their customers (your home). If you cannot find hundreds or thousands of articles on their site, then you can be sure that Google doesn't know that they exist, and that means targeted traffic will not be sent to your home.

#### **5. Interview The Real Estate Agent At The Real Estate Office**

This might seem to be an inconvenience for you, but the reality is that the meeting location dictates the mood of the meeting, the focus of the discussion, and whether or not you will expose their true home selling plan.

If I were to meet you in your home, I could get you talking to me and telling me about all the wonderful experiences and memories you have in your home. This would create a warm rush of endorphins that would likely serve to help me win your business ... even if I have a poor home selling plan. Remember, 64% of home sellers hire an agent because they like them, not because they are going to get the home sold!

#### **6. Hire The Real Estate Company Before You Determine The Value Of Your Home**

The one common thing that all homeowners think is that their specific home is unique. Sure it is.

But so are the thousands of homes that they are competing against. When it comes to the value of your home, you should understand and concede that ...

[it is what it is](#)

We can teach a brand new agent how to figure out the value range of a home, but getting a home sold when forty percent are failing is entirely another thing.

Home buyers always seek the best deal they can, on the day they make a buying decision. Your home will either be in the running, or it won't. Don't let a silver-tongued agent trick you into believing they will make your home worth more (they can't sell a nickel for a dime!).

Once you understand that great real estate companies get you the top dollar for your home by creating chatter with a sound home selling plan, you will then understand why you should choose the best company first, so that you aren't tempted to let somebody win you over with a "high price bid." It's not like the agent is going to buy your home, right?

They should have an incredibly sophisticated, hard working, daily home selling plan designed to get your home sold. You'll eventually choose an asking price based upon current buyer behaviors, just make sure you choose the best home selling plan and real estate company first.

## **7. Do Your Homework Before Deciding Which Companies To Interview**

Referrals from your friends are great, but you are getting ready to spend tens of thousands of dollars to get your home sold. You know that buyers are using the internet to find a home to purchase, so shouldn't you log a few hours in Google to see what they are finding.

Do some searches and see which real estate companies dominate your local market, because it is most likely that they have the best home selling plan. Most real estate companies charge the same amount (or close to it), so why not take the time and get the company that will really get you top dollar for your home?

At a minimum, you should see a company's list of "raving fanatics" ... past clients who express great support of the efforts of the real estate company. [Here is what our past customers have to say.](#)

## **Do Not Fall Prey To Seller Capitulation**

There is a sad trend that we have been seeing happen on a regular basis since the bubble burst in the housing market. I call it seller capitulation, and it occurs in this fashion.

An unrealistic seller lists a home for sale at price the home will not fetch in the market. When the listing expires, the seller either relists it with the same agent, or they list it with another agent willing to market the home at an unrealistic price. Years go by ...

Then one day, the sellers just gives up and takes the first low-ball offer that comes in. They "capitulate" thinking it is hard to sell a home, when in fact they weren't even in the market at the price they were asking.

There are scores of home sales recorded in our MLS at prices far below what a targeted marketing plan would have brought in the market. If you hire a real estate company that has the best plan and you follow their guidance, you will never fall prey to seller capitulation.

## **Why "Bring Me An Offer" No Longer Works**

Back in the old days, when bread wasn't pre-sliced and dinosaurs roamed the earth, somebody who was serious about getting a home sold would advertise "Bring Me An Offer!"

You can still see this habit practiced today in many industries, almost always when an amateur (think e-bay or Craigslist) is trying to sell something on his or her own.

But the way that people buy a home today makes this outdated method useless, and it is time to say goodbye to the old standby.

### *Why They Won't Bring You An Offer*

When you hire me to sell your home, I know what I have to do to get other real estate agents to bring me an offer on your home.

We spend a lot of time and effort driving the “right traffic” to our real estate listings, focusing on the significant changes in the way that buyers go about the home selection process.

This change means that they won't bring me an offer on the wrong home, and they view such requests as ludicrous if they are asked.

When you exclaim “bring me an offer,” you are really saying:

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*I know my asking price is not in line with what the market will bear. I know I will have to take a lower price, so why don't you float an offer my way and I will then start the negotiation process with you to come to a price we can both live with.*

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While this might have made sense in the days before computers, the internet, and instant communication, today it just means that you are clueless about selling a home.

The best way to explain this is with an example.

### *How Most People Find A Home To Buy*

Remember, buyers who are ready to make an offer have been searching homes online for months (94% of buyers are using the internet during their home search).

They have continuously refined their search criteria in the past few weeks and months so that the [property search tool](#) delivers them the best deals in their price range.

Let's say somebody is looking at all homes priced between \$300,000 and \$325,000. They have been watching this “price range” for weeks, lurking, just waiting for the home that is going to pull them actively into the market.

And let's say you are somebody with a home that is worth \$275,000, but you have it being marketed at \$300,000. Your real estate agent has suggested that you lower the price to \$275,000, but you say “bring me an offer and I will consider it.”

There is no offer to bring. People are comparing your \$275,000 home online with nicer \$300,000 homes and they don't like yours. It's not as nice a home. And they plan on spending \$300,000, not \$275,000.

In my experience, people will spend all of what they plan on paying ... meaning they want the "most home" they can get for their budget. Somebody who can afford a \$300,000 home does not want your \$275,000 home, so they won't bring an offer.

Simply put, your \$275,000 home is not looking very good because it is competing against \$300,000 homes. Go compete with homes more like yours, and your home will look awesome!

### **Buyers Choose A Price Range ... Sellers Choose The Competition**

We always advise sellers that "Buyers choose a price range, but sellers choose the competition!"

The first thing a homebuyer does when they use a property search tool is adjust the price range for their search. They chop off the bottom end and they chop off the top end until they are only viewing homes that are priced in a specific range.

These adjustments will automatically eliminate every home seller who's home falls outside of that range. But because we know what buyers are doing, we can use this knowledge to the advantage of the seller.

Most home sellers add a *margin for negotiation*, meaning they price their home a little higher than they expect to receive. This just pushes their home up to a higher price range making the following happen:

1. In home searches, their home is compared to more expensive homes
2. Their home does not appear in the price range search that they expect to receive
3. They get fewer online "showings;" higher price ranges have fewer buyers than lower ones.

When sellers understand today's technical pricing strategy, they price their home at the lowest price they are willing to take and then hold firm when they receive offers. This means the competition they are choosing are not as nice as the competition would be at a higher, unattainable price. If their home is the best in its price range, somebody will buy it at their price (or higher!).

### **The "Days On The Market Myth" In Real Estate**

First of all, I have great news for you. You can determine an accurate time-table for getting a home sold in nearly every single housing market. For most price ranges in Tallahassee, we advise sellers to prepare for a contract within 4 to 14 days from the time we hit the market.



There is a myth, created by Realtors, and perpetuated by Realtors, that the MLS will show you how long you should expect your home sale to take. They refer to this as “market time,” or the “average time on the market” for a home to sell.

I could spend many pages here showing you why this is a bunch of nonsense, but instead will refer you to a few articles where I believe I have demonstrated quantifiable evidence that MLS calculations for the average time on the market are not valid. Please check out the following if you want more proof than just a simple “trust me”:

- [The Real Math Behind Market Time In Real Estate](#)
- [How Long Does It Take To Sell A Home?](#)
- [Why Is My Home Not Selling?](#)

I think these articles provide all the evidence to demonstrate that we can throw out what the MLS and Realtors say about the average time on the market, but we can also apply some simple common sense to current supply and demand statistics in order to determine how long you should expect to wait for somebody to buy your home.

## **Friends Don't Let Friends List Their Homes For Sale**

Even after 22 years in the business of selling homes in Tallahassee, I still find myself amazed at the homeowners who do little preparation when they decide to sell their home.

They make a quick decision on who they hire to sell their home, even though it is a decision that will impact them financially by tens or even hundreds of thousands of dollars!

A study by the National Association of REALTORS® shows that 64% of home sellers chose the first agent that they spoke to once they decided to sell their home. I do not consider that prudent research for such a large decision, do you?

Let's put it into perspective ...

### *Who Will Actually Sell Their Home?*

Imagine you have been diagnosed with a very serious disease. You decide you want to interview Doctors before you choose the one to treat you. Aren't you going to be diligent enough to find the one with the highest success rate?

One Doctor tells you “I'm currently treating 500 people and I have the most patients in town,” while another says “I've cured 98% of the people who have received my treatment.” Which one is giving you the information that you need?

Now consider a similar scenario, but this time featuring a couple who want to sell their home.

Many people are artfully soothed with statements like “I’ve got the most listings,” when they should be looking for the company with the highest home sales rate (percentage of homes that sell versus the homes that they list). After all, people don’t really need their home listed ... they need to sell their home!

In Tallahassee, roughly forty percent of the homes that were listed over the past year failed to sell. That means 40% the families that thought they were going to be moving last year were greatly disappointed!

What’s more surprising is less than 20 companies in town are beating the market average success rate (of companies that have sold more than just a few homes). Why not hire the company that is selling the homes that they are listing?

### *Smart Sellers Research Before They Sell Their Home*



Wherever you live, it is likely that Google can help you out.

I have written hundreds of articles relating to what people need to do to sell their home. Recently, I compiled my [top 51 articles on how to sell a house](#), and it contains the type of due diligence information that homeowners should read before they decide upon the real estate

company they want to hire to sell their home.

If you are thinking about moving, take the time to review some of the advice in these articles. It will save you thousands of dollars in mortgage payments made (when you are paying for a home that you no longer want to own), and even more money during the actual negotiation of the sale.

Don’t be like the 40% of the market that won’t sell their home, do your homework first so that you interview the top real estate company for the job of selling your home!

### **Should You Care About The Training In A Real Estate Office?**

I am proud to have the best trained real estate agents in Tallahassee, but I also know that a changing market requires a change to the ways that we help people sell a home and/or buy a home.

My question to you as somebody who recently had an unsuccessful interaction with a real estate company is this ... “have you ever considered how much money you save or lose in your real estate transaction solely based upon the real estate training that your agent has received?

### *Critical Real Estate Training*

If you have bought or sold more than one home in your life, then you probably have experienced situations in which critical real estate training had been overlooked.

To be a real estate agent in Florida, you need less than 70 hours of education (which you can get online in less than 1 week) and you have to pass a single multiple-choice test.

Anybody who has passed that test is as legally qualified to help you sell or buy a home as am I. But are they really as well prepared to negotiate the best deal for you?

The playing field in the Tallahassee real estate market is not level. There are some wonderfully trained real estate agents and there are some that have hung around a long time without really learning a thing.

There are brand-new agents learning and growing, and there are seasoned veterans that have not kept up with the times.

The fact is there is critical real estate training that agents should be attending throughout their careers, and the best trained agents are the ones that will put money in your pocket when you sell or buy a home.

We know the contract better, we have better ancillary business training and relationships, and we have a better process for our customers. Putting these benefits together typically means our customers get a far better deal than people who merely work with a “friend who is in real estate.”

Consider somebody who is buying a home today for \$500,000 to \$600,000. It is my belief that an exceptional agent can be worth 10% to 15% more than somebody who does not have advanced real estate training on contract negotiations and a smart home-buying plan. If this were you, do you really want to leave \$50,000 to \$60,000 on the table just to work with your friend?

### *Updating The Real Estate Training Schedule*

The Tallahassee real estate market has moved into the next level of the housing market recovery. This means that demand is rising, inventory levels are falling, thus buyers and sellers will need a process to ensure that they negotiate the best deal possible.

Think about it. When you buy or sell a home, it is unique enough that you can't just jump online to see if the value is good.

It's not like buying a car where you can check your 2005 Ford Taurus against all the other ones like it. Your home is unique, and you want to make sure that the agent that helps you buy it, or sell it, has excelled in the real estate classes that will guide you to an exceptional transaction.

Proper and current training is very rare in an industry dominated by independent contractors. I encourage you to assess the company training plan as part of your interviewing process when you are ready to sell your home.

### **Where Will You Live During The Market Correction?**

Are you stuck in a house that is stopping a big move for you and your family? I have met with numerous homeowners in Tallahassee who want to sell a home so that they can relocate to a different market area, but they are either upside down in their home, or they will not get enough proceeds for them to buy a home in their next market. So what did I advise them to do?

Using a traditional mindset of waiting for the market to recover seems to make sense at first glance, but most homeowners who have waited only found that the problem has been compounded. Some are so upside-down on their mortgage the wait could take 10 years or longer. So there has to be another way.

#### *Good News For Homeowners Who Want To Sell*

The key to making the right choice when stuck in a house is to examine your motivation for moving. If you really want to move, there are solutions available. Let's consider two scenarios:

- **You Own The House (Little Or No Mortgage)** – A homeowner who just isn't going to get the amount of money they need to buy a home should consider the fact that it is going to take years for the market to recover. They can wait it out in their current home, or they can sell their home, and then move to where they want to live and "wait it out" there. Whether renting or buying in the next market, they do not need to be trapped in Tallahassee if they really want to be somewhere else. By purchasing a home in the new market, they will "recover" the same there as they could in Tallahassee.
- **You Own The House (Upside Down In Mortgage)** – Too many homeowners believe if they sell their house now, they will lose money. The fact is, all of us have already lost the money. Something bad has **ALREADY HAPPENED!** The only remaining question is what are you going to do about it? Think of your total debt on the home as two separate mortgages. The first mortgage can be repaid when the home is sold, leaving a second mortgage that is "leftover" after the sale and will not be repaid right away. If you really want to live somewhere else, take that 2<sup>nd</sup> mortgage with you. You are not losing money by making the move, that money has already been lost. Your real consideration is **where do you want to live as you recover from this terrible housing market?**

There are ways to negotiate your way to the new area in which you want to live. Don't think that an upside down home mortgage situation, or a position of limited cash, should stop you from living where you want to live. We have helped people who thought they were stuck in a house

make the move and they are now recovering from the housing market collapse and living in the city where they want to live.

## What To Do If You Owe More Than Your Home Is Worth

Short sales have become a fact of life in most real estate markets across the country. As this is written there are markets in which more than two-thirds of the sales that are closing are real estate owned properties or short sales. And with the huge number of mortgage holders who are more than two months behind on their payments due to current economic conditions this phenomenon can be expected to continue for the foreseeable future.

One report said recently that 11.3 MILLION home owners (or 25% of all mortgage holders) were upside down or under water (source: First American Core Logic). Navigating the tricky path that results in a short sale closing and being able to avoid a foreclosure can be emotionally trying and time-consuming. There are definite advantages and disadvantages to conducting a short-sale, but if you have to sell your home right now, the short sale is often times the best solution.

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*Lenders require a real estate agent to be involved in a short sale – if you are anywhere close to being “upside-down” on your property. [Contact me now.](#)*

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What is a short sale? Answers from Wikipedia:

A short sale is a sale of real estate in which the sale proceeds fall short of the balance owed on the property's loan. The sellers owe more than the property is worth and they are unable or unwilling to bring money to the closing. The seller is most often in the pre-foreclosure process because many lending institutions will not consider a short sale unless the borrower is at least three months delinquent. (This “rule” may be softening and some lenders may be making exceptions.)



It often occurs when a borrower cannot pay the mortgage loan on their property, but the lender decides that selling the property at a moderate loss is better than pressing the borrower. Both parties consent to the short sale process, because it allows them to avoid foreclosure, which involves hefty fees for the bank and poorer credit report outcomes for the borrowers. This agreement, however, does not necessarily release the borrower from the obligation to pay the remaining balance of the loan, known as the deficiency. Many times the deficiency is waived.

The advantage to the mortgage holder is that generally a short sale is less disastrous to their credit rating and can many times get a new mortgage in 24 to 36 months after closing. It may also help control future costs/losses that may occur if the property goes through the foreclosure

process. The advantage to the bank is generally lower costs to complete a short sale and one less property in the REO inventory to manage, keep up, and sell.

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*Remember if you are in this situation –give me a call immediately– I am certified and trained to help you, if at all possible, with a short sale.*

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### **Real Estate Terms You May Need To Know**

**Amortized Loan** – a loan that is completely paid off, interest and principal, by a series of regular payments that are equal or nearly equal. Also called a “Level Payments Loan.”

**Appreciation** – an increase in value of real estate. Depreciation is a decrease in value.

**Assumption of Mortgage** – the taking of title to property by a grantee, wherein he or she assumes liability for payment of an existing note secured by a mortgage or deed of trust against the property, becoming a co-guarantor of a mortgage or deed of trust note.

**Balloon Payment** – the final payment of a mortgage loan when it is larger than the regular payment. It usually extinguishes the note.

**Capital Gains** – the taxable profit derived from the sale of a capital asset. It is the difference between the sale price and the basis of the property, after making appropriate adjustments for closing costs, fixing-up expenses, capital improvements, allowable depreciations, etc.

**Closing** – the final settlement of a real estate transaction between buyer and seller. It is also known as “recording.”



**Condominium** – a system of individual fee ownership units, combined with joint ownership of common areas of the structure and land.

**Contract for Deed** – a contract ordinarily used in connection with the sale of property in cases where the seller does not wish to convey title until all or a certain part of the purchase price is paid by the buyer.

**Contract of Title** – a summary or digest of the conveyances, transfers, and any other facts relied on as evidence of title, together with any other elements or record which may affect the marketability of the title.

**Conventional Mortgage** – a mortgage securing a loan made by investors without governmental underwriting, i.e., not FHA-insured or VA-guaranteed.

**Counter-Offer** – a seller's rejection of an offer made by a buyer accompanied by an agreement to sell the property to the potential buyer on terms differing from the original offer.

**Close of Escrow (COE)** – the loan has been funded; documents have been signed; what has been recorded at the title company. Sometimes possession of the home is immediate, sometimes after a certain number of days.

**CRV** – Certificate of Reasonable Value -A document of appraisal issued by the VA establishing their opinion of the maximum value.

**Deed** – the written instrument which, when properly executed and delivered, conveys title.

**Discount Points** – additional charges -made by a lender at the time a loan is made. Points are measured as a percent of the loan, with each point equal to one percent. These additional interest charges are paid at the time a loan is closed to increase the rate of return to the lender so as to approximate the market level.

**Earnest Money Deposit** – a down payment made by a purchaser of real estate as evidence of good faith.

**Easement** – created by grant or agreement for a specific purpose, an easement is the right, privilege or interest which one party has in the land of another.

**Equity** – the interest or value an owner has in real estate over and above the liens against the real property.

**Escrow** – the deposit of instruments and funds with instructions to a neutral party (Escrow Agent) to carry out the provisions of an agreement or contract. When everything is deposited to enable carrying out of instructions, it is called a complete, or perfect, escrow.

**Exchange** – the trading of equity in a piece of property for equity in another property.

**Fannie Mae** – the nickname of the Federal National Mortgage Association (FNMA), a tax-paying corporation created by Congress to support the secondary mortgages insured by FHA or guaranteed by the VA, as well as conventional home mortgages.

**Fee Appraisal** – the act or process of estimating values of real estate or any interest therein for a fee.

**FHA Loan** – a loan which has been insured by the federal government guaranteeing its payment in case of default by the owner.

**Firm Commitment** – a lender's agreement to make a loan to a specific borrower on a specific property. An FHA or PMI agreement to insure a loan on a specific property, with a designated purchaser.

**FMHA Loan** – a loan insured by the federal government similar to FHA loans, usually used for residential properties in rural areas.

**Foreclosure** – The legal process in which a bank takes over a home for non-payment of the principle and interest. May also apply for State and City Taxes.

**Freddie Mac** – the nickname of the Federal Home Loan Mortgage Corporation (FHLMC), a federally controlled and operated corporation to support the secondary mortgage market. It purchases and sells residential conventional home mortgages.

**Investor** – the holder of a mortgage or the permanent lender for whom the mortgage banker services the loan. Any person or institution that invests in mortgages.

**Joint Tenancy** – joint ownership by two or more persons with right of survivorship. All joint tenants own equal interest and have equal rights in the property.

**Land Contract** – a contract ordinarily used in connection with the sale of property in cases where the seller does not wish to convey title until all or a certain part of the purchase price is paid by the buyer.

**Lease Purchase Agreement** – the buyer makes a deposit for the future purchase of property with the right to lease the property in the interim. This is extremely tricky (and unlikely to ever close) so get professionals involved.

**Lien** – an encumbrance on the property, which usually names the property as security for the payment of a debt or discharge of an obligation. Examples: judgments, taxes, mortgages, deeds of trust, etc.

**Loan Commitment** – a written promise by a lender to make a loan under certain terms and conditions. These include interest rate, length of loan, lender fees, annual percentage rate, mortgage and hazard insurance, and other special requirements.

**Loan to Value Ratio** – the ratio of the mortgage loan principal (amount borrowed) to the property's appraised value (selling price). On a \$100,000 home with a mortgage loan principal of \$80,000, the loan to value ratio is 80%.

**Marketable Title** – merchantable title, free and clear of objectionable liens or encumbrances.

**Mortgage/Deed of Trust** – an instrument recognized by law by which property is pledged as security or collateral for debt without transfer of title or possession, to secure the payment of a debt or obligation to the lender. Title transfers to the lender during the foreclosure process which occurs in the event that the debtor defaults on the loan obligation to the lender.

**Mortgage Insurance Premium (MVP)** – the consideration paid by a mortgagor for mortgage insurance either to FHA or a private mortgage insurance (PMI) company. On an FHA loan, the payment is one-half of one percent annually on the declining balance of the mortgage. It is a part of the regular monthly payment and is used by FHA to meet operating expenses and provide loss revenues.

**Mortgagee** – the lender of money or the receiver of the mortgage document.

**Mortgagor** – the borrower of money or the giver of the mortgage document.

**Note** – a written promise to pay a certain amount of money with or without specific terms.

**Origination Fee** – a fee or charge for the work involved in the evaluation, preparation, and submission of a proposed mortgage loan. Origination fees are paid by the borrower to the lender.

**Personal property** – any property which is not real property. For instance, money, savings accounts, appliances, cars, boats, etc.

**Point** – one percent of the loan amount.

**Prepayment Penalty** – the fee paid to the mortgagee for paying the mortgage before it becomes due. Also known as the "Prepayment Fee" or "Reinvestment Fee."

**Prepayment Privilege** – the right given a purchaser to pay all or part of a debt prior to its maturity.

**Private Mortgage Insurance (PMI)** – insurance written by a private company protecting the mortgage lender against loss occasioned by a mortgage default.

**Privately Insured Mortgage** – a conventional mortgage loan on which a private mortgage insurance company protects the lender against loss.

**Promissory Note** – following a loan commitment from the lender, the borrower signs a note promising to repay the loan under stipulated terms. The promissory note establishes personal liability for its repayment.

**Purchase Agreement** – an agreement between a buyer and seller for the purchase of real estate.

**Real Property** – any land and whatever, by nature or artificial annexation, is part of it.

**Rent with Option** – a contract which gives one the right to lease property at a certain sum with the option to purchase it at a future date.

**Second Mortgage/Second Trust** – also known as a “Junior Mortgage” or “Junior Lien.” An additional loan imposed on property with a first mortgage, generally at a higher interest rate and shorter terms than a “first” mortgage.

**Short Sale** – A process in which a bank mitigates losses by accept less than is owed and allowing a seller to sell their home.

**Special Assessment** – a legal charge against real estate by a public authority to pay the costs of public improvements such as street lights, sidewalks, street improvements, etc.

**Straight Loan** – a loan with periodic payments of interest only; the principal sum is one lump sum upon maturity.

**Subdivision** – a parcel of land that has been divided into smaller parts.

**Tenancy in Common** – ownership by two or more persons who hold undivided interest, without the right of survivorship. Interests need not be equal.

**Term of Mortgage** – the period during which a mortgage must be paid.

**Title** – often used interchangeably with the word “ownership.” It indicates the accumulation of all rights in a property.

**Title Insurance** – (both mortgagees and lenders) policies which protects the insured (purchaser and/or lender) against loss arising from defects in title.

**Trust Account** – an account separate and apart and physically segregated from a broker’s own funds, in which the broker is required by law to deposit all funds collected for clients.

**VA (Veteran’s Administration) Loan** – a loan guaranteed by the Veteran’s Administration.

**Warranty Deed** – a deed used to convey real property which contains warranties of title and quiet possession, and the grantor agrees to defend the premises against lawful claims of third persons.

### Closing Thoughts

The best rule of thumb is to continue to ask questions until you are comfortable with the situation and remember, you should hire a real estate company, not just a real estate agent.

If you follow the simple steps given you in this manual, the odds are in your favor that you will sell your home with the excellent real estate company that you hire. Remember, make sure you put at least two agents through the above question and answer process to determine which is the best for you and your situation.

Selling your home should be a fun, enjoyable, and profitable experience. Avoiding the mistakes that are laid out in this booklet will give you the best chance to keep more of your hard-earned money in your pocket.

The greatest compliment that you can give to me is by selling your home through the advice in this document and letting me know that I helped you with one of the biggest financial decisions of your life. Hopefully you will sell your home in the time frame you desire and for the top dollar possible!

I want to thank you for taking the time to read this booklet – I wish you the best of luck in your home selling process!

If you would like even more information about the home selling process, you can [go here to see the top 51 articles that I have written about selling a home](#).

Please call me with any comments or questions you may have. I can be reached at (850) 558-5569.

Good Luck!



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