

MarketNotes

THE LATEST ON ANNAPOLIS REAL ESTATE

Marketing Controls

When it comes to marketing and selling homes, sellers and listing agents can control only a few things. There are many things that they cannot control.

Sellers and Their Agents Have No Control Over

Listing Price – Sellers have control over the listing price. If sellers set the price too high they may scare buyers away, and, if sellers set the price too low, they give some of their savings away. Homes should always be priced less than direct competition and must always be priced based on current market trends. When prices are falling and the market is moving away from sellers, sellers may want to price lower than the current market. And when prices are rising, sellers may want to price slightly ahead of the market.

Property Condition – Sellers have control over property condition. Home staging and proper (short and long-term) maintenance makes homes shine.

Incentives – Sometimes it's all about the deal. Sellers can offer incentives to get homes sold for the best price and terms by offering higher commissions, selling bonuses, closing help, seller paid loan points, home warranty, or other incentives.

Marketing – Listing agents have control over the frequency and consistency of marketing – when and where, local versus national, newspapers and magazines, and very important – the internet.

Sellers and Their Agents Have No Control Over

The Market – Are there any buyers in the market for the house at that time? If several similar properties have all come to market and then gone under contract or sold, it's possible that the buyer pool has been exhausted in the near term.

Days On Market (DOM) – Sellers have no control over how long it will take to sell their home in any given market (for example, seller vs. buyers market, winter vs. spring market). DOM is direct feedback to owners and how the market perceives their home in comparison to other properties on the market. DOM tells buyers everything that they need to know about a house, its price, condition and location. Over price a house and it may sit on the market. If the condition isn't perfect it may sit on the market. And if the location is not that "premium spot" it may sit on the market. All of which buyers take note of when they see long listing periods in the MLS.

Location – Let's face it, sometimes location is what it's all about. And, if a seller's home is in an up and coming area, listing agents will have an easier time with marketing.

Buyer's vs. Seller's Market – Neither sellers nor listing agents have any control over whether it's a buyer's or seller's market, whether the home prices in the market are rising or falling. But sellers and their agents do have control over pricing and should set asking prices in concert with current market trends.

The Competition – Sellers have no control over when their neighbors list their houses, or for that matter, what other competitive properties are on the market at the same time. As other homes come and go on the

market, the seller's may need to adjust their price accordingly to compete with those homes – especially if time is not on their side.

The Weather – As much as sellers wish for good weather, when it rains it pours. Sellers and their agents have no control over rain or snow, cold or hot weather.

Interest Rates – Sellers have no control over rising or falling interest rates. Although recently Fed funds rates have been decoupled from mortgage interest rates, this has not always been the case, and may not be decoupled for ever.

The Economy – Market sentiment and how buyers feel about jobs, prices, and other uncertainty a remedy for weak sales – all of which sellers and their agents have no control.

The Neighbors – Try as sellers might, getting neighbors to cut their grass or pickup their yard or move an unsightly junk heap parked in the drive, sellers have no control over the neighbors.

Other – Listing agents have no control over sellers, but then the agent is "the agent" for the sellers.

Conclusion

What it may come down to is that "price will overcome all objections". When dealing with the conditions that sellers and their agents have no control over, there is however a price at which someone will purchase a property despite the things over which you do not have control. For a confidential, private, professional assessment of your home in today's market, please contact Stephen Howell at 410-923-3217.