

REAL ESTATE

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THE REAL DEAL

Real Estate News You Can Use

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Effective Home Marketing – What it Takes

When you are about to list your home for sale, the real estate agents you interview will probably present a standard marketing plan that consists of:

- Entering your property into the local multiple listing service;
- Putting up a sign on your lawn;
- Holding open houses for brokers and for the public;
- Running ads in the local newspaper;
- Featuring your property on real estate Internet sites; and
- Sending direct mail “just listed” cards to residents of neighboring streets.

Back when we were in a seller’s market, properly-priced homes would sell simply by using this “default” formula. But now that market dynamics have changed and inventory has risen, a more thoughtfully-considered marketing plan makes the difference between which properties will sell quickly and which will not.

Effective home marketing plans take more effort and skill to develop than a boilerplate list of standard tasks. They are individualized for each property, based on market conditions in the relevant price segment...the seller’s objectives regarding timing and net proceeds...the advantages/disadvantages of the property to be sold...the profile of the expected buyer...and the other properties on the market that will compete for that buyer’s purchase.

The first step in developing a home marketing plan is to understand the market conditions in which it will be offered for sale. This is done by analyzing the

factors outlined in the preceding paragraph. The next step is to develop marketing strategies and tactics that reflect market conditions – at all times keeping the profile of the target buyer in mind.

Marketing elements can be grouped into four areas:

1. Property tactics relate specifically to the piece of real estate being sold. If your house is not in as good condition as others being offered for sale, a key property tactic would be to improve it before listing, or to give the buyer an improvement allowance. If you’re selling an older home whose chief competition is newer construction, you might consider adding a home warranty for the first 1-2 years of the buyer’s occupancy. A builder selling a luxury home in a glutted market could add a pool or tennis court or backup generator – or all three. The owner of a smaller home on a street of larger ones could include architect’s plans for expansion as part of the deal, in order to attract buyers who are willing to undertake a renovation project.

2. Pricing tactics involve more than just picking a number. If you’re serious about getting your house sold, it’s important to let market conditions and how your home stacks up versus competition dictate your asking price. If you price unrealistically, your home will sit unsold – no matter how strong the rest of your marketing plan is.

3. Sales agent tactics address the buyer agents who will be showing your property. The keys to success here are compensation, accessibility and communication. Regarding compensation – for your property to be most competitive, you must offer the agent who brings the buyer a commission rate at least equal to what competitive properties are offering. If your property is in some way difficult to sell, or you need to move it quickly, you should consider offering more.

Regarding accessibility – it’s important

to make your home easy to show. Properties without lockboxes or with complicated showing instructions often get lost in the fray.

Regarding communication – a marketing-savvy agent will go to great lengths to make it easy for buyer agents to sell your home. S/he will go overboard with interior signage that communicates the special features which differentiate your home from the competition, and will provide the answers in advance to “frequently-asked questions” that potential buyers will ask. This takes more work than is usually done, but this effort will pay out in higher perceived value and a faster sale.

4. Promotion tactics include everything from the wording on the listing sheet...to the look, feel and content of property brochures...to what your advertising – most importantly, your Internet content – conveys and where it appears. All of these must communicate how your property meets target buyers’ needs better than the competition.

Effective home marketing requires an agent who can insightfully size up the situation in which your property will compete once on the market, and then develop a custom plan to get it sold quickly and profitably in light of those circumstances. Since the price you pay to get your house sold will not vary considerably no matter who you hire, why settle for less?

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