

REAL ESTATE

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THE REAL DEAL

Real Estate News You Can Use

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What Sells Houses...and What Doesn't

If you're like most people whose homes are listed for sale, you may be wondering

where the person who buys your house will come from.

The National Association of Realtors (NAR) shares your curiosity. Every year, they publish statistics that show how buyers found the houses that they purchased. Last year, these included 36% recommended by an agent; 27% identified on a real estate web site; 15% from yard signs; 8% purchased directly from a builder; another 8% through word of mouth; 6% from print advertising; 2% "for sale by owner" (FSBO); and 1% "other."

I don't know about you, but I don't find these statistics terribly helpful. For one thing, we don't buy directly from builders around here. Also, I don't know of much business that gets done through word of mouth or FSBO's. The print advertising number seems higher than it should be, and the percentage recommended by agents seems way too low. And it doesn't seem sensible that a yard sign would be such a major factor, except maybe for properties on highly-trafficked streets.

However, seeking assurance that you've got all bases covered, you may look to these statistics for guidance.

But here's the bottom line. Assuming your house is properly priced, there are just two things that will get your house sold: agents and the Internet. In our local market, I estimate that these sources account for at least 90% of buyers. That's because the vast majority of serious buyers are represented by an agent, whether they live around here or not. And those few serious buyers who are not

represented are searching online. NAR statistics show that 80% of today's buyers use the Internet in their home search, even after starting to work with an agent. Once you realize this, you can relax – and marketing your home can be focused in the highest-odds areas:

- 1. A high-impact marketing plan targeted at buyer agents.* This should include (a) as many broker open houses when your listing is new as it takes to get a critical mass of agents through your property; (b) detailed interior signage that calls out the special features of your home, so that buyer agents can sell its advantages during showings; and (c) e-mail blasts to the agent community when the listing is new or a price adjustment is made.
- 2. A high-impact online presence for your property.* This includes numerous photos, scrolling headlines, detailed copy that describes what's special about your home...maybe even a dedicated web site. Because online buyers are looking for as much information as possible, real estate web sites offer listing agents many tools for enhancing their listings on the Internet. Unfortunately, many don't take advantage of these tools.

Once you've got these covered, you don't have to worry too much about the rest. It is true that your buyer could come from anywhere. So, yes, you should absolutely have a yard sign. You should absolutely have your house featured in your broker's weekly newspaper ad. Your agent should absolutely send out those "Just Listed" cards. And just to be sure, it probably wouldn't hurt to hold some public open houses.

However, you should also know what those in my business know:

- 1. Print advertising doesn't really sell houses.* The main purpose of ads in local publications is to create awareness for the listing broker, and to generate call-ins to the office that the agents on duty can convert into leads. Print ads are also use-

ful in generating traffic at Sunday open houses. Statistically, however – at least around here – it's extremely unlikely that a print ad will be the thing that sells your house.

So...if your house isn't selling, don't ask for more advertising. Instead, (a) revisit your price; (b) determine whether your property been well exposed to buyer agents; and (c) critically assess how your listing looks online.

- 2. Yard signs don't really sell houses.* As with print ads, the main purpose of signs is to generate calls to the listing office.

- 3. Direct mail doesn't really sell houses.* Similar story. The real purpose of direct mail is to get the listing agent's name in front of your neighbors, in case they will soon be in the market to buy or sell.

- 4. Public open houses don't really sell houses.* At least not very often. Open houses mostly attract nosy neighbors and potential buyers who are in the earlier stages of thinking about moving, rather than serious buyers ready to make an offer. This works well for the listing agent, who may look at public open houses as an opportunity to meet future clients – buyers and sellers who are in a real estate state of mind but who have not yet selected an agent.

Once you understand what really sells houses – and what doesn't – you and your listing agent can focus on the most important elements of a marketing plan that will get your house sold quickly, with the least amount of stress, and at the highest possible price. Which, bottom line, is every home seller's goal.

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