

REAL ESTATE

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THE REAL DEAL

Real Estate News You Can Use

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Why Your House Didn't Sell

In a solid real estate market like the ones we are blessed with in Westport and Weston, it's tempting to think that all you need to do is put your house on the market and it will be sold in short order.

In many cases this is exactly what does happen. However, many outside the real estate industry aren't aware that, nationally, between 20% and 30% of listings expire without producing a sale. In the business we call these properties "expireds."

During 2007 there were 294 expired listings in Westport, and 143 in Weston. And these figures do not include listings that are "cancelled" or "withdrawn" – which agents sometimes do when a property isn't selling and they don't want it to show up on the multiple listing service with the stigma of having expired.

When a listing expires – commonly after six months on the market – it's a difficult situation for everyone involved. Homeowners may be feeling the emotional stress of not being able to move on – or the financial stress of owning the expired property in addition to the new home that they've already moved into. They may also feel frustration or dissatisfaction with the listing agent whose efforts did not produce a sale.

Agents are usually frustrated as well, not only because they won't be paid a commission – and will probably lose the listing to another agent after it expires – but also, for example, because the owners may have rejected an offer that in hindsight the agent feels they should have accepted...or they were unwilling to adjust the price when the agent recommended it.

Listings usually expire for one or some combination of the following four reasons.

1. Overpricing (*the most common reason*). A property that's priced too high will sit idle in even the hottest market. That's because buyers are more educated than ever before, and they recognize a well-priced property when they see it. If your home is on the market longer than usual, it can cause buyers and their agents to suspect that there must be something wrong with it since it hasn't sold after so much time – even if you eventually adjust the price. (For more on this subject, refer to my column "The Perils of Overpricing.")

2. Condition. If your house doesn't show well, its appeal will be diminished no matter how well it's priced. Mildew and cigarette odors are particular turn-offs, as are dark rooms, neglected landscaping, evidence of water in the basement, and other signs of lack of upkeep.

3. Location. Homes within sight of the Merritt Parkway or I-95 – or otherwise location challenged – have an above-average risk of expiring. On the other hand, some location-challenged properties sell quickly. Those that do are usually priced well...are in very good condition...and have taken steps (e.g., landscaping or fencing) to offset the negatives of the location, which can't be changed.

4. Marketing. Multiple listing your house and putting a sign on your lawn is not enough to get it sold. It needs to be exposed repeatedly to buyers' agents, and marketed to the public with as many photos as possible through advertising, open houses, brochures, direct mail, the Internet and more. The Internet is especially critical. According to the National Association of Realtors, more than 80% of today's buyers shop online for homes before beginning to work with an agent. And many continue to do so even after they are represented.

You also need to make your home accessible for showings, and you must offer a buyer agent commission rate that will motivate them to recommend your property to their buyers. Finally, your agent needs to solicit feedback after each and every showing and share this with you so that, together, you can fine-tune your marketing plan as necessary on a continuous basis. If she or he did not do all of this, your property was not marketed effectively. (For more on this subject, refer to my column "Effective Home Marketing: What it Takes.")

If you're the owner of an expired property – and you want to get it sold – an honest assessment of how your previous attempts at selling your home stack up versus the four preceding points is in order. This is best done with the assistance and insight of a real estate professional who has the perspective and confidence to tell you the truth about your situation – an agent who can identify and prioritize the things that you will need to do differently so that you will succeed your next time out of the gate.

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