

The most common home selling mistakes



Created by:

Randy Rought
REALTOR[®]
303-503-6210

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Common Home-Selling Mistakes

Don't Make These Home-Selling Mistakes

Mistake #1: Pricing too high



- Sellers - you need to take your ego out of the pricing analysis for your home. Leave it to an expert. Many people “don't want to leave anything on the table”. They want top dollar because their house is “special”. Their friends, who live in the same small town got “\$XXX amount, so they should get the same”.
- For example John and Mary have a 2,400 sf modular home built in 1999 with a finished basement, 3 bed/2 bath, 2 car garage, sitting on 2 acres, with a \$10,000 secondary building or large barn. Tim and Joy have a recently renovated 3,000 sf ranch built in 2005 with a finished basement, 4 bed/3½ bath, 2 car garage sitting on 2 acres. John and Mary want to sell their house for the same price range as Tim and Joy, or more because their home is about the same and they also spent \$10,000 on the extra building. This is comparing apples and oranges. Comparing the market value of these two houses cannot produce a valid comp.
- While there is a bit of a nuance to every house's value, the listing agent will develop your market comps by finding houses with the same number of bed/baths, same building styles, square footage (within 10%), and within the same neighborhood. outbuildings are not valued at full building prices by appraisers. When all is said and done; your REALTOR® is not the bad guy. If they say your house is worth \$XXX, then it is worth very close to \$XXX. The market is the market. If you want to blame anyone, blame the market. It doesn't lie.
- The buyer's REALTOR® will provide buyers with their own set of comps when making an offer. Buyers may be willing to pay a bit more than market value for personal reasons (because of the competition to get their offer accepted, because of some other feature like the barn, desired neighborhood, school district, short commute, or some other personal reasons. But if the seller has already added these items to the listing price, they probably won't make the first list provided by their agent.



- There are a vast number of pricing strategies. The right fit depends on the type of market and other considerations.
 - **Over market price** - If you price your home at the very top of the price structure as determined by your listing agent, you're looking for a needle (buyer) in a haystack. There *might* be one buyer out there, and you better hope they are willing to pay cash, because it will probably appraise below what the buyer needs and the lender doesn't lend money for more than a house is worth. The end result will end up with a cancelled transaction unless the seller comes down to the market price. Some homeowners have a rough time remaining emotionally neutral. In fact, I've seen houses sit on the market for a long time (in a seller's market) just because the sellers had an over-inflated opinion of the value of their property.
 - **Market price** - This is a fair price, which the appraiser which the will agree to. This is fine in a normal market, but in a seller's market, there is a better strategy of pricing under market value.
 - **Under market** - If you price just under market value, buyers feel like you're giving them a deal. This is true when you only have one buyer, but not true when you have multiple offers. It's common in this scenario to get multiple offers, pushing the price *above* market value.

Mistake #2: Hiring the wrong agent

- Not all agents are created equal. There are fantastic buyer agents, fantastic seller agents, some agents who are only good in one role, and some who have issues in all roles. Some could be great buying agents but won't spend the marketing dollars or time to work hard to sell your house.



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Mistake #3: For Sale By Owner

- For Sale By Owner (FSBO- typically pronounced FIZBO) is when sellers try to sell their property on their own. They are typically over-priced, under-marketed, lack quality photographs because they were taken with the owner's cell phone, have no centralized showing service to coordinate showings, and potentially put themselves at legal and financial risk because the sellers are not aware of what disclosures and forms are required by the state. Buyers won't put up a lack of quality or difficulty/pain trying to schedule an appointment.



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Mistake #4: Problems gaining access

- Access can sometimes be an issue in a normal selling situation. There are sellers who only want to allow showings between certain hours on certain days (like 10 and 2 on Saturdays). This really is a cutting the seller's own throat. There will be buyers who will still try to get in during those restrictive timeframes. Buyers will get frustrated and move on to houses they can see in reasonable timeframes.
- Gaining access is especially true of properties with tenants. If a buyer wants to see a property, they need to be able to gain access in a reasonable amount of time. Tenants can be problematic as they typically have no say or any stake in the sales. In fact, they may perceive the selling of the property as a threat to their stability. They may feel they will be required to move or there will be an increase in their rent with the new owner.
- Landlords make sure your lease spells out the tenant's responsibility if you decide to sell the property, including their responsibility for showings. Maybe include something which will motivate them to cooperate?



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Mistake #5: Foul smells

- Everyone needs to remember memory is most closely associated with smell. The first thing people unconsciously (or consciously, if it's bad enough) pick up on is smell. Sometimes it's more obvious. If you are listing your property, Make sure you have cleaned the place thoroughly and any smells emanating are pleasant aromas—*not* unpleasant ones. The key is “*Clean, Clean, and Clean*”.



Does something smell or is it me? vii

Mistake #6: Offering low commissions

- When listing your home, make sure you provide a reasonable buyer's agent commission is. Agents can see in the MLS what commission is being offered to them. How eager are they to show your home if you are offering below average? Why should they spend any effort working for commission which will not pay anything toward their own bills? Buyer brokers typically work hard for their clients, but they do have families and bills to pay. Consider how eager will they be to sell your house if you're offering a higher commission (or a bonus)?



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Mistake #7: Not making concessions

- Most buyers want a home inspection and the inspectors will find some things which require repairs as no home is perfect. You will probably have to concede some items, whether offering a credit or fixing some issues. Some sellers take it personally and even consider it an insult, when buyers ask for things to be fixed. Remember its all part of the negotiation process. Deal with it.



Mistake #8: First Impressions

- Some homes first positive impressions are difficult to obtain. Hoarder houses, messy tenants, homes with lots of kids or pets, or just homes which need some additional cleaning can make it difficult to sell. It's important to stage your house to put it in the best light possible. Clean, clean, and clean. Start early and pack up everything which could be considered a distraction or appears cluttered. You are moving anyway, right? PRE-PACK. People would rather look at a stack of boxes than your stuffed animal collection.



Mistake #9: Professional Pictures

- And last but definitely not least, is to make sure professional photos are being taken of your property. Most buyers' first impression will be online, so make sure it's a good first impression. Professional photographers will do their best to take quality photographs using the available situation, professional equipment, lighting, and editing. These go a long way to making sure your property is shown in the best light.



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ⁱ <https://images.pexels.com/photos/8243130/pexels-photo-8243130.jpeg?auto=compress&cs=tinysrgb&w=600>

ⁱⁱ <https://images.pexels.com/photos/14820437/pexels-photo-14820437.jpeg?auto=compress&cs=tinysrgb&w=600>

ⁱⁱⁱ <https://images.freeimages.com/variants/Hs9fHLF2aLDzhWikGauRjctD/f4a36f6589a0e50e702740b15352bc00e4bfaf6f58bd4db850e167794d05993d>

^{iv} <https://images.pexels.com/photos/8470803/pexels-photo-8470803.jpeg>

^v https://cdn.pixabay.com/photo/2017/07/20/18/37/real-estate-agents-2523247__340.png

^{vi} https://cdn.pixabay.com/photo/2020/04/14/18/25/no-access-5043758__340.jpg

^{vii} <https://images.pexels.com/photos/1447424/pexels-photo-1447424.jpeg?auto=compress&cs=tinysrgb&w=1260&h=750&dpr=1>

^{viii} https://cdn.pixabay.com/photo/2019/04/03/20/12/house-4101306__340.jpg

^{ix} <https://media.istockphoto.com/id/1477769084/photo/close-up-of-a-mans-hands-with-an-adjustable-wrench.jpg?s=612x612&w=0&k=20&c=T5XGdJUWwZS4hDYKlx6AACJFdVRCzBvN8Let5TkGGWk=>

^x https://media.istockphoto.com/id/1169888548/photo/make-a-great-first-impression-handwritten-in-the-note.jpg?s=612x612&w=0&k=20&c=QZOo93K60i4JA7v2iEI7aXVhofMPzo05yTi2ZUiq_-8=

^{xi} https://cdn.pixabay.com/photo/2014/08/26/20/08/photographer-428388__340.jpg