

Home Selling Strategies for a Normalizing Market

After a solid five year run of record home sales, the market is readjusting itself to a more normal level. Most of those who wanted to move have moved. Interest rates are rising again, lowering the upper end ceiling for buyers overall. With buyers qualifying for a lower mortgage today than they might have a year or two ago, the buyer pool for higher priced homes is shrinking. The large inventory of homes currently for sale is resulting in an overall downward trend of housing prices. With increased choices, buyers can be more choosy and take longer to make their decisions. As a result, longer market times may caution a buyer away from a property.

There are three important factors for selling your home in today's market: condition, price, and time.

Condition reigns supreme over anything else. Buyers have so many choices right now that anything that looks like it needs work can be enough to kill your chances of selling. People prefer move-in condition, so if your property isn't, you probably need to do what it takes to make it that way. It is worth the money to remove old wallpaper, paint, replace carpet, and replace the roof if it's almost at the end of its life. Offering an allowance doesn't work in these market conditions because buyers tend to overinflate the costs of these improvements, anticipating double or triple what it will actually cost you. Plus, with the number of homes for sale, if yours is the one that needs to be painted, chances are it's also the one that won't sell. There are exceptions, such as homes that need a complete overhaul, so it's a good idea to discuss your home and your plans with your listing agent before getting started.

A word about home improvements – consider improvements as solidifying your home's value rather than increasing it when deciding on a price range. The kitchen you recently renovated or the room you added may help your home sell more quickly than the one down the street because it's in better condition, but it won't necessarily increase your home's value. If you're not looking to sell your home right now, spending the money on upkeep and maintenance now can help you avoid needing to spend a lot all at once when it is time to sell.

The second factor is price. You want to have the best price on the market. That doesn't necessarily mean the lowest price, it means value. It's a good idea to price your home aggressively because there are so many options available. If there are 40 homes for sale in your price range, you want your home to stand out as the best home for the money.

Misperception or misunderstanding of the current market conditions can lead to improper pricing which in turn can lead to excessive market time or even no sale at all. What you paid for your home or what your neighbors sold their home for last year are irrelevant when deciding on your asking price. Factors you and your Realtor should consider are your home's current condition, the condition of other homes for sale in your price range, the asking price of homes similar to yours, and which homes are selling and which are not. Accurate pricing from the outset increases the likelihood that your home will find the right buyer quickly. The first three weeks on the market are the most important – that's when people are excited to see the new kid on the block. A strategy of starting on the high end and then lowering it over time is rarely successful in a normalizing market. By the time the house is where it should be, interest has peaked and buyers have moved on.

Finally, accept that it still takes time. There are only so many buyers out there and they have a lot of choices. Average market times have been three to four months, so your goal is to reduce the selling time by carefully preparing your home and improving its condition plus adopting an aggressive pricing strategy. Then you just need patience and faith that the right buyer will see your home and decide that's the home for them.

Everyone's situation is different, so be sure to discuss your situation with your Realtor and decide on the best strategy for your needs. Today it takes twice as much work to be the best value in your neighborhood. Hard work and diligence can pay off.

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