

# The Knowledge Resource

FOR

## Expired Listings



### **What Went Wrong?**

High Hopes - Disappointing Results

### **Why Listings Expire**

Bad Things Happen to Good Homes

### **Communication**

What You Heard Wasn't What I Said

### **Price**

#1 Reason for Failure to Sell

### **Condition**

Curb Appeal or...Creaks and Squeaks?

### **Marketing**

Poor Marketing = No Buyer Activity = No Sale

### **What Now?**

A Little Wiser Now



# *Expired* Real Estate Listings

## Why Do Listings Expire?

1. What Went Wrong?
2. Why Listings Expire
3. Communication
4. Price
5. Condition
6. Marketing
7. What Now?



## What Went Wrong?

You put your house up for sale and the listing expired without a sale.

You had hoped your house would sell quickly. Some houses do. In fact the majority of houses sell during the initial listing time agreed to by most sellers and agents—usually 90 days. However, in some tough markets, a third to half the listings expire unsold.

What should you do? Do you still want to move?

It's time to find out exactly what went wrong. The problem usually can be found in one or more of these four areas:

### Price – Communication – Condition – Marketing

- **Price:** Overpricing is the number one reason that houses don't sell.
- **Condition:** Do you keep your home in showroom condition; depersonalize it so prospects can see themselves at home; remove pets from the premises?
- **Marketing:** Advertising doesn't sell houses. Agents do. Your secret to success is a skillful agent and marketing plan that presents your home to the widest pool of prospective buyers.
- **Communication:** Teamwork between seller and agent is essential to adjusting the marketing plan as needed.

# Why Listings Expire

The scenario goes like this. You list with an agent; the “for sale” sign goes up; then the “for sale” sign comes down. Does it come down because you sold your home, or because the 90 days are up? You need to become Sherlock Holmes. We’ve already listed the four major areas that need to be your top priorities, enabling you to sell your property quickly at the best price.

You’re obviously frustrated at the failure of your home to sell. Did your agent enter accurate information in the multiple listing service to attract the right buyers? Could he or she have done things differently to produce the desired outcome?

Would your home have sold if it had been:

- Priced lower?
- In comparable condition to homes that did sell?
- Advertised more effectively, aggressively or more frequently?
- Shown more often?
- In better repair and visually more appealing?

Be objective...could you have done something differently? Did you reject your agent’s advice to:

- Replace or repair certain parts of your home?
- Remove your pet, pet bed, and litter box before a showing?
- Lower your price?

## *Be objective*

Could you or your agent have done anything differently to produce the desired outcome?



# Communication

**Communication:** Teamwork between seller and agent is essential to adjusting the marketing plan along the way.

- What did prospects say about price and condition?
- What feedback did other agents offer?
- Was your home easy for agents to show? Did you permit your listing agent to use a lockbox and a “for sale” sign?
- Did you impose unrealistic restrictions on showing your home, causing REALTORS® to overlook the listing?
- Did you and your agent maintain open and frequent communication?
- Did you receive regular status reports from your agent, or were you left to wonder?
- Did you and your agent return phone calls promptly?
- Were there any offers on your property, and did your agent submit these to you in a timely manner?
- Did your agent listen to your needs and wants?
- Did your agent give you the facts you needed to make well-informed decisions affecting the sale of your property?



Exceptional communication skills, expertise, experience, marketing skills and knowledge of your marketplace are essential attributes to look for in an agent.



# Communication

From the time you hire your agent until the time you sit down at the closing, you need to rely on your real estate professional for answers, services, and reassurance. You and your agent need to maintain open lines of communication.

In the 1970s, a study of communication<sup>1</sup> showed the following:

- How you talk is more important than the words you use.
- When face to face, your words are just 7% of your communication, voice tones are 38%, and body language and facial expressions comprise 55% of your communication.
- 93% of face-to-face communication is subconscious. Most people do not consciously interpret physiology and voice tones; they do it automatically.
- On the telephone, words account for 27% and your voice tones account for 73% of your communications.

Overall, how would you classify your communication and rapport with your agent? What about your agent's communication and rapport with potential buyers of your home? With other agents?

<sup>1</sup> Dr. Robert Birdwhistle, University of Pennsylvania 1970

# Price

**Price:** Overpricing is the number one reason a house does not sell.

- Is your home priced right?
- Are your terms and incentives competitive?
- Have market conditions changed since you originally put your house on the market?
- Have interest rates changed?
- Did you consider the psychology of pricing right?

Your eyebrows just shot up! The psychology of...?

Yes. Put simply, banks and mortgage lenders give loan amounts in increments, which causes buyers to search for homes incrementally. So, if you're a dollar over the increment, your home will miss its market.

Example: \$200,000 - \$299,900.

If you list at \$300,000, you will miss a large number of buyers who are interested, and could qualify for your home.

You hired an agent! You thought your job was done...were you wrong?

*Number one*  
reason for your house  
not selling is overpricing.



# Price

Since price is important to both sellers and buyers, here are some things you can do to expedite the sale of your home:

- Obtain a CMA, Comparative Market Analysis, from your agent.
- If no comparable properties have sold lately, have your home appraised by a professional. This will assure you of top dollar and encourage buyers to make realistic offers.
- Set your price with supporting data that will make sense to buyers.
- Don't set your selling price based on how much you need to get out of the house because of how much you put into it, or how much you need to make the next purchase.
- Have your home inspected and make required repairs. This will eliminate reasons for buyers to offer a lesser price.
- Offering a home warranty will eliminate a buyer's fear of anticipated repairs.
- Don't hesitate to revise your price downward if you attract no serious buyers within the first 2 weeks.

Many sellers won't follow any of these tips, even if their listings have expired and they face another 90 days or more.

Perhaps you've already bought another home and are facing double payments, or you've been transferred and want to move the entire family before school starts. Whatever your reasons, isn't it time to pull out all the stops?

## Everyone Wins When the Property Is Priced Right!

Sellers gain prospects for homes priced within their range.

Real Estate Agents gain inventory to show to their clients.

Sellers and Agents gain prospects who are serious and less likely to lowball on price, unwilling to risk losing out on a well-priced home.

Buyers get a home that's a great value because they are buying at the right price...a price with room for future financial growth.

*Don't*

set your price without supporting data that will make sense to buyers.



# Condition

**Condition.** Did you keep your home in show-room condition, depersonalize it so prospects could see themselves at home, and remove pets from the premises?

A house in like-new condition sells fastest and gets the best price because it outshines the competition.

**Curb Appeal** – Were buyers turned off before even seeing the inside of your home? If your front and side yards were overgrown, neglected and in shambles, and outdoor fixtures dirty, you probably lost them even though you had a delightful and spotless interior.



**Creaks and Squeaks** – Screen doors swinging off their hinges, broken and dirty windows, shaky staircase railings, chipped porcelain sinks in kitchens and bathrooms, rusty spots from leaky faucets—all these things count a lot when buyers compare other properties to yours.

**Smart Investment** – A little elbow grease, some paint and inexpensive new carpeting could make your home attractive to some lucky buyer.

**Fibber McGee's Closet** – A pack rat's nest will not attract a full price buyer. Since you're planning on moving soon, why not get a headstart? Organize, sort, throw away, donate...be absolutely brutal when it comes to clutter. Removing clutter will make your house look brighter and larger.

**How about a Little Feng Shui?** – Make it impossible for buyers to pass up the opportunity of living in your home. Turn your home into a neutral canvas where they can imagine their furnishings and their future. Light, bright and cheery! How about a little mood music?

**A Final Word on the Subject** – Pride of Ownership pays off in a big way!



## Condition

Selling your home is important to you! Let's examine your responsibilities:

- All needed repairs, including painting, should be made prior to relisting your home.
- Cosmetic improvements: repair or replace anything that's broken, old, or dirty.
- Clean everything, get rid of clutter, pick up and put away personal items, clothes, toys.
- This is delicate...but please rid your home of pet odors.
- Your home should be well lighted when shown.
- Maintain your home in showroom condition until it sells!

We're all familiar with the real estate mantra "location, location, location." Equally important is "presentation, presentation, presentation." Presentation is a valuable selling tool; do not underestimate its power. The money you spend on the front end of your sale will come back to you many-fold in your sale price.

The first impression you create will either sell or *not sell* your home.

# Marketing

Let's examine the activity at your home during the time it was for sale.

- Few or no showings usually indicate an ineffective marketing plan.  
Poor marketing and advertising result in no buyer activity and **no sale**.
- Many showings and no sale indicate either *pricing* or *condition* problems.  
If your home is priced higher than comparable properties or is in poor condition, the listing will expire.

Avoid this scenario by asking your agent:

- How he plans to attract buyers
- Who will the likely buyers be
- What promotional activities will attract these buyers
- What is his average sale time
- What is his asking price to sale price ratio
- How many of his listings expire
- Familiarity, knowledge and experience with your marketplace

So, now that your listing expired, let's take a look at the marketing strategies used by your previous listing agent. The answers to the following questions will give you some clues as to what happened, and help you avoid the frustration you're now experiencing.

*Did your agent*

Use Internet marketing? 84% of home buyers use the Internet to search for a home.





# Marketing

Did your agent:

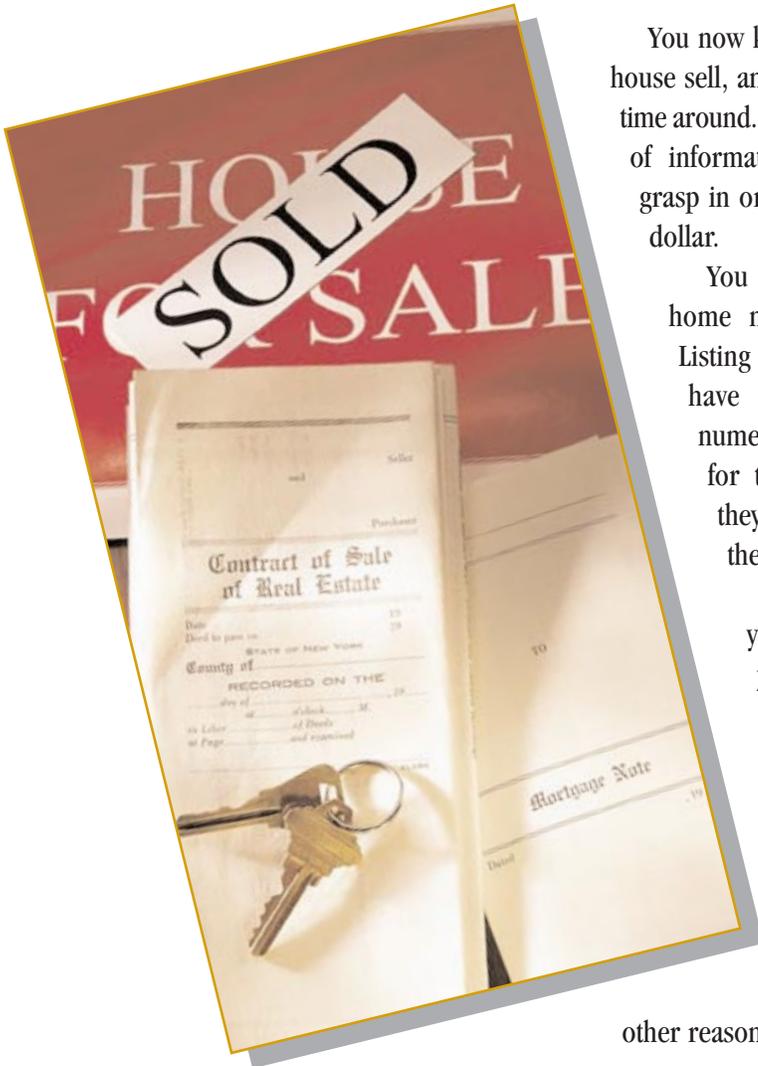
- Use direct mail? What type and how often?
- Advertise and hold agents/brokers and buyers open houses?
- Have your property listed on his or her company's website?
- Post a virtual tour and/or photos of your property on the website?
- Use any other Internet marketing?
- Do electronic mailings of some kind?
- Make available a 24-hour a day voice-interactive response system to provide continuous information on your property?
- Place colorful flyers or brochures describing your home next to the "for sale" sign?
- Introduce other unique marketing techniques that might have been appropriate for your particular property?

What response resulted from your agent's marketing?

If your agent incorporated these strategies and more in his marketing efforts, chances are that marketing was not the culprit. Remember the four major reasons that cause a listing to expire. You need to consider that it could be one of the other three: pricing, communication (including the ability for buyers to access the property) or the condition of the property.

Or did your previous agent try to squeak by with the bare minimum, just placing your home in the Multiple Listings Service?

# What Now?



You now know a lot about what helps a house sell, and are in a better position this time around. There is a tremendous amount of information for the homeowner to grasp in order to sell quickly and at top dollar.

You should be aware that your home now shows on the Multiple Listing Service as **EXPIRED**. You have probably been receiving numerous calls from agents asking for the listing and claiming that they can sell it if you list with them.

If these agents are telling you that they can do a better job than your previous agent, they may be right. They may also be telling you that your price was too high, and again, they may be right, but there could be other reasons.

Inadequate marketing could be one of the

other reasons.

## Keep these facts in mind:

- Your home is competing with many others.
- Ads in the newspaper don't work the way they used to.
- People aren't just driving around from street to street looking for available properties.
- Today, according to statistics, 84% of home buyers use the Internet to search for a home.
- Your next agent must be e-mail and Internet marketing savvy.

They say that love is lovelier the second time around. Heed the information in this booklet and you may soon be saying the same thing about listing the second time.

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