

To get more money for your home, make it shine

by Ilyce_Glink

Nearly everyone I know has little things in their house that they live with that may have originally bothered them, but no longer do, including dangling light bulbs and wires, squeaky doors and floors, dirty air filters in the furnace or air blowers, a broken humidifier system, ripped screens, chipped door stops, sticky or off-kilter kitchen cabinet doors, and messy landscaping. The time to take a brutally honest look at your house is just before you price it to sell.

The list goes on and on. When you live with these issues day in and day out, after awhile they fade in importance. But when you sell your home, these are the details that can derail an offer. A prospective buyer will walk around your house looking for reasons not to buy your house. Any one of the items I've just listed, or a thousand others, can turn off a buyer to your house - for good. These "liabilities" are items the buyer thinks he or she will be stuck fixing or replacing during the first couple of years they live in your home. No one wants to think about replacing an air-conditioning system five minutes after the closing (even if you offer a home warranty). A prospective buyer who is willing to tackle these projects will subtract the cost of putting your home into impeccable shape and will probably tack on something extra for the mental pain and anguish it will take to get the job done. They do it logically, because they know the costs, or intuitively, thinking, "This house seems older and more run down and it'll probably need \$20,000 to \$30,000 to put it into shape." And that's how you end up with less money for your house. After all, why haven't you done these things yourself? Because sometimes, they're a pain in the neck and you'd rather be doing anything else. The same is true for anyone who will buy your home. To get the most money for your home, you should make it shine. Fix the broken items, repaint the interior, clean the carpet, "stage" your rooms, and clear out the closets and countertops. If you're not willing to do that work, you can sell in "as-is" condition, but then you'll have to accept a hit in the price. How much of a hit? To sell, especially in a slower market, you'll have to price your property in a way that it more than counters the negative of its condition. In other words, you'll have to price it somewhere below the actual costs of getting it into top condition. If your property is only worth the value of the land on which it sits, you're living in what's known as a "teardown." If that's the case, then there's no amount of cash you should put in your property, because you may never get a dime back on that investment. Once you figure out how the condition of your home compares to other homes that are for sale in your neighborhood, and you decide whether you're willing to fix it up for sale, you can turn your attention to pricing your property. Start by visiting other homes in the neighborhood that are for sale that are about the size, age and condition of your home. Be sure to pick up a copy of the listing sheet for each property. Next, visit homes that are in better and worse condition than your house, as well as a few that are teardowns, if there are any in your area. In some parts of the country, neighborhoods have become areas in which old or older homes are purchased and torn down to put up larger new homes. In other neighborhoods, people still value the existing homes and improve those homes or add on to them. Write down on the listing sheets what is better or worse about each property's condition. Pay attention to the amenities the property have and how they compare to your property. When you get home, put the listing sheets in a row on your kitchen counter or dining room table. Sort them by price, and then resort them by condition. Think about how your home (and its listing sheet) would fit into the lineup. If the condition of your property is somewhat more on the "teardown" size, look at all of the similar teardowns and where they're priced. Compare lot size and location (the only differentiators) and price your home competitively - that is, price it so that everyone who is looking for a teardown in your neighborhood is compelled to see your property because it is priced so attractively. If your home is in more of an "as is" condition, then follow the same procedure to compare your property to other, similar homes in the area. And if your home is in blue ribbon, like-new condition, compare it with those properties on the market, and price accordingly. If you can't see your home for what it truly is, just like you can no longer see the broken windows or ripped screens, ask an unbiased friend, relative or even your agent to give you his or her honest opinion. The time to take a brutally honest look at your house is just before you price it to sell. © 2007 Real Estate Matters, TMS

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