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## **Get ready to sell! Sizzling hot spring market for sellers who create the right product for market**

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Successful agents will often be heard cautioning desperate buyers in hot markets with the following sage advice: "If you want this house, count on it selling significantly over asking, and the only way a seller will consider your offer is if you waive your home inspection and financing contingency because you are going to be competing against strong, cash offers. Maybe they'll let you do a home inspection for informational purposes only. And by the way, did I mention that it's very likely that the bank appraisal will come in lower than your offering price? Prices are ticking up and we don't have comparable home sales at today's new prices. So naturally you are going to have to put more money down than you expected to secure your mortgage and you need to be mentally prepared for the bank to tell you it isn't worth what you are paying. Otherwise, don't bother to place an offer, you'll only be setting yourself up for failure and disappointment."

These discussions are happening every day in Greater Boston, but the hottest market on the map is Arlington, Massachusetts, where absorption (closing) rates have exceeded 100% the past two months. That's not a typo - more homes closed in that town in January and February than were actively on the market. A stable market closes approximately 20%, or one in five, of its active inventory. Meanwhile, there are still some lagging markets in New England that are crawling out of single digit absorption rates which crashed prices down 40% or more. Arlington prices are up 5.7% from the height of the regional market (July 2005), and several Greater Boston towns are approaching those high numbers once again.

Incredibly low interest rates combined with a shortage of inventory is creating the buying frenzy of 2005 in some New England markets all over again, while other markets throughout New England are feeling the relief of stabilization with a healthy balance of inventory to meet buyer demand.

However, there are some good properties in the hottest markets that aren't selling. Some sellers are trying to leverage the news that the market is rebounding and insist upon pricing their homes higher than a buyer's perceived value. Human nature continues to thwart potential sales, because one of the biggest mistakes sellers make is that they don't detach emotionally from their property to view it as a product for market as a buyer does. Sellers continue to place more value in their home than buyers do. As a result, even in this frenetic market, there is inventory of quality homes where buyer and seller expectations can't meet, resulting in good over-priced homes on the market meeting buyer resistance to pay.

Smart buyers will watch those properties for price reductions, signals that the seller is coming into reality, and may even get a decent deal on the house because homes that are over-priced often languish and sell for less than they would have had they been priced properly on the market on Day One.

Buyers today have more information than ever and they know more about a property than some

sellers do. Buyers can quote the price per s/f, they know the amenities and condition compared to other active properties, and they know what they can get for their money and they don't want to overpay.

Savvy sellers need to hire agents with strong strategies to guarantee top selling price. But here is the quick and dirty way to create the most value when any seller goes to market.

Create a product for today's buyers. (They are usually younger, and the Burger King generation grew up having it their way, so remember they take steep and serious discounts when they perceive a home needs updating.) Ruthless de-cluttering, fresh paint and refreshed kitchens and baths are the best return on investment. Houses that have a "today" look sell for top dollar.

Hire an agent who will provide excellent marketing and fantastic exposure on the internet. Print advertising won't sell your house, but it is good for the agent's business. Description of properties should not "oversell" a home, but rather attract the right buyer.

Good photography is priceless. Remember your first showing and open houses are online and you need to be sexy to get more matches or "visits" to your home. This is a numbers game. The more buyers who come to see it, the better price you will fetch. Creating competition - a bidding war - is the number one way to maximize your equity.

Consider staging. Staged homes sell in 29 days compared to 145 days, and sell for much closer to asking price. Remember, staging is not a decorating decision, it's a business decision. Detach from your house. Your buyer will pay a lot more for it with Pottery Barn-like furniture than if your plaid couch and recliner and grandma's dining room set are holding court. No seller wants to hear that they need to refresh and stage, and they need not take this expert advice. But if they don't, they need to be prepared for a significantly lower sale price and longer time on market.

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