



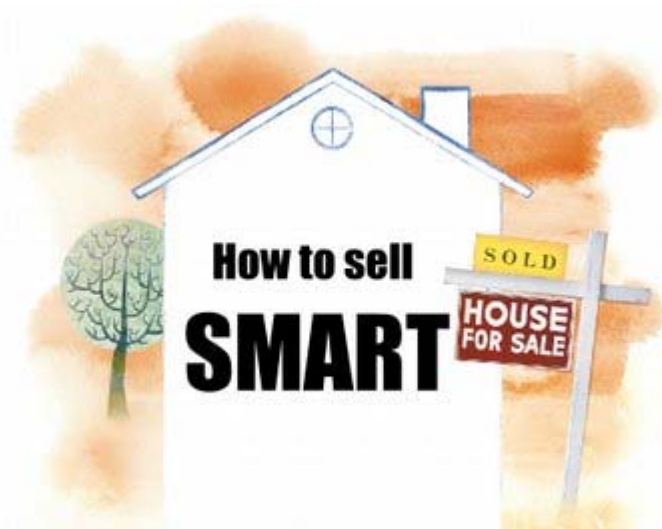
# How to sell smart



**It's a tough market, so be prepared to work hard and be flexible**

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3:00 a.m. March 8, 2009



Jacie Landeros / Union-Tribune -

Selling a home in San Diego County is nothing like it was during the frenzy of the early 2000s. Back then, real estate was all the rage. You could list today, sell tomorrow and walk away with big, tax-free capital gains.

Today, all is changed. The buyers rule, and you have to think long and hard about whether you should sell your home. As San Diego real estate consultant Gary London says, "This is a market of have-to sellers, not want-to sellers. Anyone who puts a house on the market has to sell and anybody who wants to buy wants a bargain."

With a majority of resale home transactions resulting from foreclosures or financial distress, only a small portion of properties on the market involve no duress. But their owners have to compete with low prices offered by banks and owners in default or dealing with life-changing issues like death, divorce and job relocation.

"Sellers are very distressed," said Andy Nelson, president of La Jolla-based Willis-Allen Real Estate. "We have many sellers in our upper-end market that are just trying to say, 'What can I do to try and sell my property?' In many cases, you're telling them they have to reduce their price by 20 to 30 percent over what their anticipated value was."

On the other hand, perhaps it is time to sell because you can buy a replacement home at a discount, at low interest rates and on virtually any terms you like.

Here are a few tips on selling in the new age. If you have any suggestions to pass along, e-mail them to [home@uniontrib.com](mailto:home@uniontrib.com). And if you're a buyer, check out last week's Home section that carried suggestions for you. It's available at [uniontrib.com/more/homebuying2009](http://uniontrib.com/more/homebuying2009).

### **Should I sell?**

If you bought your home before 2000, chances are you can walk away with money in your pocket. If you bought during the boom or pulled out equity through refinancing, you're likely to lose big.

To find out what your home is worth, ask a real estate agent to supply a comparative market analysis that will give you a list of similar homes that have sold nearby. You can also research prices by looking at Zillow.com, Trulia.com, various other realty Web sites and the Union-Tribune's [sdhomes.signonsandiego.com](http://sdhomes.signonsandiego.com). For general trends in your ZIP code, check out MDA DataQuick's monthly reports at [dqnews.com](http://dqnews.com) and also available from the Union-Tribune at [uniontrib.com/more/homesales](http://uniontrib.com/more/homesales).

“You need to monitor what things are selling for, check out open houses and understand market conditions,” said Peter Dennehy, senior vice president of Sullivan Group Real Estate Advisors. “In this market people are being harshly realistic.”

### **Preselling chores**

Sellers have to wow buyers. Make yours the best-looking home on the block. Complete all those repairs on your “deferred maintenance” to-do list.

A coat of paint never hurts – make it color-neutral so you don't offend someone with your hot-pink treatment of the dining room. New flooring, cabinets, fixtures and appliances might be overdue, but buyers might prefer to negotiate an improvement allowance instead.

“By maintaining your home, it will definitely keep it a marketable home for any potential buyer or if you decide to sell it down the road,” said Burt Bever, retail sales manager at the Dixieline ProBuild store in Escondido.

Start planning for major improvements about six months before you enter the market. Dixieline and other home improvement outlets offer help with design and budgeting and finding reputable contractors. Be sure to check their references and contractor-license status.

The same goes for the exterior. Keep it trim, attractive and clear of garbage. If you need a makeover, hire a landscape planner or architect. Go for low-water-use plants; buyers don't want a water hog. And finally, don't worry about the garage; stash extra stuff there in neat piles.

### **Agent or FSBO**

If you're a veteran home seller, a real estate attorney or a detail-oriented, risk-taking owner, you might opt to take the FSBO route – for sale by owner.

You do your own marketing, receive offers, negotiate with buyers and their agents, and take responsibility for meeting the state's disclosure rules related to the state of your property.

“You can still sell a property that way, but you open yourself up to liability,” said Marty Castro at Help-U-Sell's Distinctive Homes franchise office in Mission Valley. “The buyer can come after you after five years if something is not properly disclosed.”

One alternative to taking on all those duties is to hire a limited-service agent, who can handle the paperwork while you do the advertising and marketing. If there is an agent involved, you're free to negotiate the terms and

conditions, the payment (flat fee or commission) and other details.

John Henderson, who has taught real estate classes to about 100,000 agents for 30 years in San Diego and the rest of Southern California, recommends asking friends and family for agent recommendations. He said to ask for their “success rate” – how many homes they listed and sold last year.

“Unfortunately, some agents just will list a large number of properties and hope a few of them sell,” Henderson said. “The better agents are far more selective, but when they take the listing, it gets sold.”

### **Prepping for showtime**

Before the first agent and potential buyer step over the threshold, put your home into super-showcase shape – and keep it that way, perhaps for months.

Keep it clean. Get rid of the clutter. Hire an expert in staging if you need help.

Norma Byrd, president of the local chapter of American Society of Interior Designers, said that for \$500 a professional designer can rearrange your home in a few hours to bring it close to Martha Stewart standards.

“If it's completely empty, sometimes that's pretty difficult to do,” she said. “A lot of buyers don't have a great deal of imagination.”

Dress up the entry with pots and colorful flowers.

“If you're just talking about both curb appeal and freshening, you could do that in a couple of months,” said Melanie Potter, who oversees marketing and landscape design at Walter Anderson Nursery in Poway.

### **Open house**

Once your home is listed, get ready for an initial rush of agents, their clients and looky-loo neighbors. Get it included on an agent caravan. Have at least one open house – though few homes get sold at an open house.

Then comes an offer – perhaps not for weeks. You may have to lower your asking price, offer agent incentives (“free trip to Hawaii”) or decide this is not the time to sell.

“We certainly have the people who are waiting for the market to come back,” said Rob Northrup of Re/Max Associates. “Those people are waiting for Santa Claus and the Easter Bunny.”

If you expect your home to sell for what it might have gone for at the height of the boom in 2005, Northrup says, “It may eventually, but we may be talking about a 10-to 15-year process.”

### **Time is on their side**

**Seller:** Alice Hawks, 61

**Home:** 1,890 square feet, La Mesa, bought as new in 2004

**Listed price:** \$479,900

**Agent:** Rob Northrup, Re/Max Associates

“I watch home and garden shows – they show how to sell and present a house,” said Hawks, a self-employed

hair stylist. “When Rob Northrup came in, my house was nice and clean, neat, but he said we need to take this chair and couch out, take half the pictures down. That totally changed the room.”

Hawks is a seller who is not forced to sell but wants to for two reasons – she's worried about navigating the stairs as she ages and she doesn't like living in a development governed by a homeowner association.

Reaction to her home was swift – she almost immediately went into escrow. But the buyer backed out, as did a second buyer. Similarly, she's angling to buy a replacement home but ran into more competing buyers on foreclosures than she expected.

“I'm hoping to find something,” she said.

**Seller:** Craig Nelson, 47

**Home:** 4,000 square feet, Solana Beach, bought for just under \$1.5 million, made improvements totaling \$300,000

**Listed price:** \$1.9 million

**Agent:** Brian Yui, HouseRebate.com

Nelson and his wife Nicole deBerg-Nelson, 40, have bought, fixed up and sold about 10 homes over the years and decided now was as good a time as any to sell their view-rich home.

“I think markets are markets and if you're selling into a tough market or a hot market, you're buying into the same market,” said Nelson, a commercial lending officer at a local bank.

He said the couple is not desperate to sell and expects to receive low-ball offers, which they intend to reject until they get what they want. If they had sold at the peak, Nelson thinks they might have received \$2.5 million.

“The beauty of it is – I'm like a lot of people in the market – we get to live in a great house and if we don't sell, it's no big deal,” he said.

#### **Some resources to consider:**

**Books:** “How to Sell Your Home in 5 Days” by Bill Effros, Workman, 2007, \$15.95; “For Sale By Owner in California” by George Devine, Nolo, 2007, \$29.99; “House Selling for Dummies” by Eric Tyson and Ray Brown, Wiley, 2008, \$19.99; “Seven Steps to Sold: The Secrets to Selling Your Home for Big Bucks, Fast!” by Donna and Shannon Freeman, Three Rivers Press, 2007, \$14.95.

**Online:** “How to Sell Your Home,” ehow.com; “How to Prepare Your House for Sale,” by Elizabeth Weintraub, about.com; “How to Sell Your House in a Buyers Market,” March 2008, consumerreports.org.

**Industry:** National Association of Realtors, “How-to Guide: Selling Your House,” move.com.

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