

Some basics all buyers, sellers need to know

Friday, January 31, 2014, Vol. 38, No. 5

Today is a day of helpful hints. In order to properly advise, it is important to establish your real estate IQ. Please answer the following questions:

Why would you put your house on the market?

- A. To receive praise on my interior design and financial prowess from those who visit.
- B. I am a clean freak and love to have the home in pristine condition at all times.
- C. I enjoy the thrill of having complete strangers shuffle through my underwear.
- D. I want to sell the house.

D is the correct answer.

Even now, with Polar Vortices or Vortexes or whatever they are blowing through, the buyers are buying and the inventory is low. It's this simple, there are more buyers than sellers.

Given the above information, the Nashville residential real estate market is:

- A. A buyer's market
- B. A seller's market
- C. An "It" market

The answer is B.

Based on the answer in question 2, if you are a seller and your house is not being shown and no offers have been made:

- A. The condition of the home does not meet market standards.
- B. Your location is not favorable.
- C. Your property is overpriced.



The correct answer is A and C or B and C. Both poor condition and uninteresting location can be overcome for the right price.

With this glut of buyers and scarcity of properties, open houses are suddenly experiencing success rates. There are a number of factors that contribute to successful open house.

Choose the top three reasons an open house might help sell a home:

- A. Balloons on the open house sign
- B. A photograph of the listing agent on the sign in the yard
- C. A positive change in the condition of the property, perhaps a new kitchen, even fresh paint
- D. A reduction in price
- E. The house is new to the market
- F. An ad in print media, especially the New York Times

C, D and E are the answers, with E with as an asterisk. Nosey neighbors will provide the most traffic.

In assessing the attractiveness of your location, which of the following would be viewed by buyers as positive?

- A. Close proximity to electric lines so that the voltage is not reduced during transmission
- B. A river runs through it, providing the children with opportunity to study fresh water ecosystems
- C. The excitement of frequent train traffic
- D. A street that NASCAR could use for determining pole positions
- E. Quiet street with attractive, well-kept homes as far as the eye can see

The answer is E. A through D require price adjustments.

Price, of course, is the most important factor in determining the ability to sell your home. Your home is worth which of the following:

- A. The tax appraisal
- B. 10 percent more than the neighbor's house that sold last week that was larger and in better condition

- C. Considerably more than the mortgage balance added to all the other indebtedness of the owner
- D. Whatever someone will pay for it.
- E. The cost of acquisition plus the expense of all the improvements plus profit

The answer is D, and the fact is that no one with any amount of data or experience knows what a house will sell for. If any real estate agent tells a seller that they know definitively what the house will sell for, that agent is wrong.

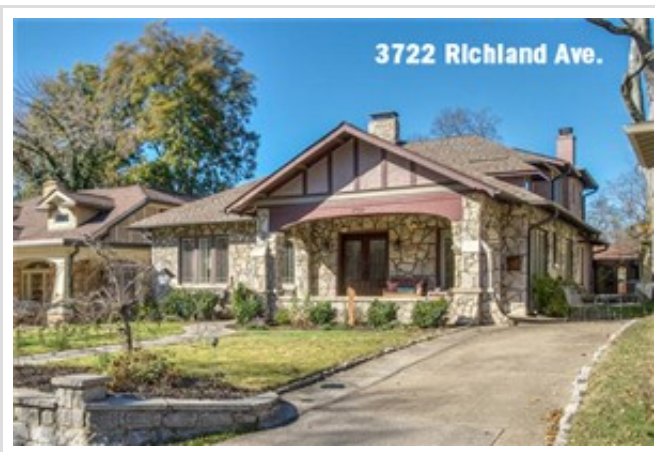
True or false: It is better to sell in the spring market when landscaping is in full bloom and the grass is green and prices are higher?

The answer is that all grass is green in the spring and vegetation responds to warmer climes all over town. Additionally, there will be more competition, thereby decreasing the seller's market edge. Now is better than then.

Sale of the Week

This week's sale is located at 3722 Richland in the historic Richland/West End district, and it sold for \$1,106,000 after only a couple of weeks on the market.

Described by listing agent Tim King of French-King Fine Properties as "unassuming stone bungalow," the million-dollar price tag for 4,375 square feet (more than \$250 per square foot) is surprising, if not astonishing.



Yet, the seller of this property, who purchased the home in 2005 for \$379,000, invested and renovated wisely.

The kitchen is described by King as a "cook's kitchen" that includes a six-burner gas cooktop complete with a griddle for the gridders of the world, double ovens and two dishwashers, and the room opens into the family room. That combination overcomes the upstairs master.

2014 has shown more diversity in million-dollar sales than its predecessor.

While January is a historically a slow month, there have been four closings of more than \$1 million, and they are evenly distributed with one each in the Belmont area, Bancroft, a subdivision off of Hillsboro Road near Old Hickory Boulevard, this home on Richland, and the largest sale in Belle Meade, with a home on Chickering going for \$4 million.

Richard Courtney is a partner with Christianson, Patterson, Courtney and Associates and can be reached at richrd@richardcourtney.com.

