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Current Market Favors Home Seller

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The Washington Post

It's swell to be a home seller these days.

The value of your home has appreciated handsomely over the past few years. You don't have to do much, if any, work on it to sell it. If you set the right price, you can easily attract multiple offers, which lets you pick the best bid from a bunch of contracts. And with many offers, you're almost assured of selling for more than your asking price.

The icing on the countertop: All this takes place within a few days.

"This is the most prolonged sellers' market I've seen in 30 years of selling real estate," said Eliza Cocke, an agent at Re/Max Allegiance in Burke. "It's a dream for sellers."

Of course, it is only a dream, as long as you do not want to move to another home within the Washington area. In that case, you turn into a prospective buyer, which is a different story altogether.

Lisa and Robb Pike, however, are positioned to take full advantage of being sellers now. After they sell their two-bedroom, one-bath condo in the Park Fairfax subdivision near Shirlington, they plan to move to Colorado Springs, where they have arranged to buy a five-bedroom house on an acre of land for about \$30,000 less than what they are asking for their condo. In most parts of the country, real estate dollars go further than they do in the Washington area.

"If we sold and had to buy something else here, we'd both have to work full time -- or more -- to just barely get into a single-family home," said Lisa Pike, who wants to stay at home part time to take care of her 5-month-old baby.

Even at a time when the market is so skewed in favor of sellers, though, real estate agents say that it is worth it to spruce up your property before putting it up for sale. That way, you attract as many offers as possible, which can mean a higher sales price.

"When sellers ask me what I think they can get for their homes, I give them two prices," said John Meyer of Re/Max Allegiance in Alexandria. "One is the price if they do absolutely nothing to the property, the other is the price if they do some cosmetic stuff."

Meyer said that investing \$5,000 or \$6,000 in cosmetic improvements, such as paint and new carpeting, can mean a \$15,000 higher sales price.

However, he said, most sellers opt to do nothing.

"It's not that you have to do anything," said Ron Sitrin, an agent at Long & Foster Inc. in Chevy Chase. "You don't. You'll just get a better return on investment if you do."

Cocke said that even now, it can be difficult to sell a house that is overly decorated or unusually decorated. It is best to strip off outdated wallpaper and to stick to neutral colors for paint and carpet.

Real estate agents also strongly suggest that sellers reduce the clutter in their homes: clear the countertops, bookshelves, tables and other surfaces of extra appliances and knick-knacks. Box up anything that makes the house look crowded or takes attention away from it. Remove bulky furniture that disrupts the flow of the house. Clean out closets, storage areas and garages, too.

"I hate collections -- those figurines people buy," Meyer said. "If someone's got an elephant collection, the buyer will walk out of that house and start calling it the 'elephant house.'"

The house should also be spotlessly clean: windows sparkling; bathrooms and kitchen gleaming; litter boxes gone, along with any trace of odor.

To make the biggest profit possible, some sellers skip working with an agent and go the for-sale-by-owner route. Still, agents handle most sales. In this region, sellers usually pay agents a commission of 6 percent, but the amount is negotiable. Some listing agents may agree to cut their commission, especially because houses now sell so quickly.

The trickiest thing about being a seller today is putting the right price tag on your home.

"It's the most difficult market to price a house I've seen in 20 years," said Rick Leverrier, an agent at Stuart & Maury Realtors in Bethesda. "Even when you think you're aggressively pricing a property, you still get multiple contracts over the asking price. Prices are going up all the time."

Agents traditionally price houses by looking at sales prices of comparable properties. But that does not always give you the right number, they say. Only the most recent comparables can be used; often, there just are not any of those.

A lot of agents look at what else is on the market, and at what price, to come up with a price tag for their listing -- pricing to the competition rather than to recent sales.

"You want to be a good buy compared to what else there is to buy that day," Sitrin said.

But picking a price that is too low may not be all that serious a mistake. Competing bids usually will jack the final price up to the appropriate level, agents say.

Gene Sirlouis, who plans to sell a one-bedroom, one-bath investment condo in Adams Morgan, said he is not worried about much.

First of all, he is not going to sweat doing anything to fix up his condo, which he describes as dated.

"A lot of places are bidding way up, so why should we put any additional money in it?" he said.

And if Sirlouis has underpriced his 765-square-foot condo at \$275,000, that does not bother him much, either. "If it's priced too low, the market will adjust," he said.

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