



Is it time to sell?

Part 5: Marketing and Selling your property

In earlier parts of this series, I addressed the factors which may cause an owner to decide to sell, alternatives to sale, and the techniques for selecting a real estate agent. In this installment I will cover some of the issues involved in actually marketing and selling your property.

While your agent should be doing the legwork involved in the marketing, offer selection, and escrow phases of the transaction, it is still essential that you understand the process and be prepared to deal with any issues that may arise. While your agent should be well equipped to advise you, agents stop short of making decisions for you. This is for your own benefit as well as theirs.

The art of negotiating a deal and managing the escrow process are among the reasons that you hire a real estate agent, so while you should make the big decisions and receive updates as regularly as you might like, you should not have to manage the many minor details and bumps in the road that the listing and escrow process can involve.

* Marketing *

The key question at the outset is how widely to market the property, i.e. whether to limit exposure to a narrow group of trusted buyers and their representatives, or to advertise in multiple media and through multiple real estate agencies. Some brokerages make the case that controlled marketing means very limited exposure for your investment property, and hence a lower price. Others insist that an “in-house” deal is less risky (an “in-house” transaction is where the agents representing the Buyer and Seller both work for the same broker)

The truth is in –between. Aggressive marketing and complete cooperation between all agents is the key to creating competition and driving value for your sale. For this reason, not advertising sufficiently is not the proper method to limit unqualified buyers. However, buyers must be managed and screened carefully to filter out unqualified or unsophisticated persons who can waste your time and even create liability. You should have a clear idea of what will be done to market the property prior to signing the listing agreement. Depending on the size of the property, it should be on industry standard websites as well as the MLS (Multiple Listing Service), in the newspapers, and

presented to broker forums and other industry events. It is up to you as to how often you get updates after the listing is signed. Once a week is average, but many people prefer more frequent interaction. It is important to review the material that the agent puts out, and to ask yourself whether the promised marketing effort is actually being implemented. If anything that was promised is not being delivered this should be brought to the agent's attention immediately. If the agent refuses to cure this shortfall it may be grounds to terminate the listing.

In many disputes both parties have acted completely in good faith but there have been misunderstandings. Something that will help tremendously is to have written periodic updates from your agent. Statistics are also very helpful to find out what is working for your property, and how buyers are reacting. The market is the best indicator of value only if a property is properly exposed. If a full marketing effort has been correctly implemented and the reaction is bad, the property may be overpriced or have other issues that need addressing.

If you interviewed several agents prior to selecting a listing agent as suggested in my last installment, then another option if your property isn't selling or is not getting the response you had expected is to ask for advice from those other agents that you did not select initially. They will want to get the listing if it expires, and if you established some rapport with them on the initial listing agreement meeting, then they should be willing to give you their honest critique of your agent's marketing effort.

Please keep in mind that my area of expertise is Real Estate Brokerage. The tax consequences, exchange validity, accounting rules and legality of various strategies are best discussed with the appropriate professional. I have several that I will be happy to recommend. If you missed last month's installment, you may contact me for a copy of the last issue.

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