

Getting a 'real steal'

In today's market, where there are plenty of homes for sale and lots of competition, it would seem advisable for sellers to price their homes appropriately if they really want to sell. After all, it's not rocket science to figure out that an overpriced listing is not going to stand much of a chance against a better deal for the same type of property.

Buyers know this, and so they come to the sales process full of hope. Hoping that they will be able to get a house for a real steal. They trust that all sellers must be desperate in times like these, so many buyers come in with lower-than-"normal" offers and many buyers truly believe that the sellers will take such an offer in today's environment. Sometimes buyers want to look at listings that are priced thousands of dollars more than what they can afford, really thinking that they can talk the sellers down into their price range.

Buyers may have unrealistic ideas about what can be purchased

in today's market. I met such a buyer via e-mail. She has given me a full-page list of items that she wants in her next house. Good schools, low taxes, prefer 10 to 20 acres, privacy, front porch and deck, long driveway, attached and a detached garage, 3,000 or more square feet, stone fireplace, wood-burning stove, in-ground pool, large kitchen, lake or mountain views (or lake front), dining room, living room, rec room, whirlpool tub in master bath, large bedrooms, and additional living quarters either in the basement or guest cottage. Her budget - \$279,000 to \$299,000. I actually did a search that contained many of these things, and the least expensive listing I could find was nearing the \$2 million mark - a difference of about \$1.7 million.

While this is a true (although extreme) example, it does show the current discrepancy between what



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buyers want and the price at which sellers are actually agreeing to sell. According to the Knoxville Association of Realtors MLS statistics, homes in Knox County, closed since Jan. 1, 2007, have sold for an average of 98 percent of their asking price. That tells me that, if priced correctly, sellers are still getting what they

want out of their homes.

It is true that foreclosures are up, that sales are taking longer, but that doesn't mean that every seller is ready to give away their property in an effort to simply unload it. What it does mean is that sellers must pay attention to the recent sales in their area, and must understand that they should price their home at market value for it to sell at market value.

Yes, some buyers will come across homes that qualify as a "real steal." Some sellers must sell immediately, and must get out

from under the debt or the responsibility of the house with little regard for sales price.

I believe that the lesson in today's market is one for both buyers and sellers. For buyers, you must be realistic about what you can buy for your budget, and should be aware that lowball offers are not likely to fly. For sellers, you must be realistic about pricing your home so that it will be chosen among all the other competing listings. If neither party comes to the table with this mind-set, then sales hit a stalemate. However, if both parties understand the reality of the situation, then deals can be made, and homes will sell for what they are truly worth.

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