

# Expired Listings – Don't Become a Statistic

(Or Why Your Home Didn't Sell)

*Before reading this article, I would recommend reading my blog post: "The 3 Biggest Changes the Internet Has Had on the Real Estate Industry." Read it at [ScottNorris.com](http://ScottNorris.com).*

Even in the best of times, not all listings sell. Through the end of June 2017, over 1,250 residential listings have expired across Sarasota and Manatee Counties. If you are one of these sellers, then read on for a solution next time. If you are about to put your home on the market, reading this article might help you avoid a long, drawn-out fail.

Listings expire for one of three reasons, more or less in order of frequency:

1. The asking price is too high
2. The home does not show as well as it could (in disrepair, dirty, cluttered, etc.)
3. Inadequate marketing
4. Limited feedback and follow up

## The Asking Price is Too High

I can hear the groans already- just another self-serving comment from a real estate agent. Anyone can give away a home. Why should I pay a commission to someone that is just going to give the house away? You have to leave room to negotiate. What difference does the asking price make- people can always make an offer?

First, let's talk about how high too high is. For starters, in the combined market of Sarasota and Manatee County for the calendar year 2016, the median sales price was a whopping 97.6% of the asking price. That means half of the home sales took place at a spread of no more than 2.4% from the asking price. That's pretty tight. On top of that, 32% of sales occurred at or above full price. So if you are priced \$1 above the market value, you are overpriced compared to about a third of the market. If you are priced more than 2.4% above the market price, you are overpriced compared to half the market. Who will notice this? Don't worry; only the prospective buyers will know. Read on.

Market price is usually estimated before you put your home up for sale by analyzing recent sales (not asking prices for homes that haven't sold). The idea is to compare your home to those that sold and make adjustments for differences that would have a meaningful impact on market value, things like air-conditioned space, levels of upgrades/updates, view, number of bathrooms, etc. If the comps are selected correctly, the adjustments should net to a small number (less than 10% of the price). The larger the adjustment, the more difficult time you will have with price (the more difficult it will be to make prospective buyers see that same value).

Finally, consider that today's buyer is probably the most market educated person in the room when it comes to the market for your home. If someone has been considering an offer on your property, then you can bet they have looked at dozens of homes online, seen many in person, and made countless

comparisons between homes. If there is too much fluff in your price, at best, you will make other listings look like deals (see second paragraph in this article), or at worse, they will never consider your listing because you have it priced out of their range (even though you would gladly sell it for a price in their range).

To recap, pricing high will not work, and there is no reason for it. As demonstrated in the data, buyers will pay at or above full price. You don't need to lard up your asking price.

## The Home Does Not Show Well

The idea here is not to spend thousands updating your home with the latest fads but doing common sense things that cost little and will add thousands to your selling price. Your home doesn't need to look new and modern to sell, but it should be (and look/smell) neat, clean, and well-maintained. You don't need to replace your 20-year-old laminate cabinets and counter tops, but the cabinet doors shouldn't be hanging from one hinge and counter top delaminating. Carpet is fine if it is stain free and not threadbare.

A must-read for anyone about to sell a home is Martha Webb's book, *Dress your House for Success*. You can get it on Amazon for about \$5.00. I could add nothing to what Martha has created in her book. So, rather than just repeat what she says, I will send you free her 13-page guide to dressing your house for success. Just visit [scottnorris.com/order-your-copy-of-dress-for-success](http://scottnorris.com/order-your-copy-of-dress-for-success) and order your free copy of Martha's checklist. Enter your mailing address, as the checklist is copyrighted. I can only mail you an original (no email).

## Inadequate or Ineffective Marketing

Most people, agents and consumers, know the internet is a popular place to search for homes and every listing should be on the internet. That assumption is correct, but there is much more to it.

Each year, the National Association of Realtors conducts a national survey designed to track trends in the real estate industry. The results are compiled and published in an annual report, titled "Profile of Home Buyers and Sellers." Consider these survey results from the home BUYER section from the 2016 report:

1. How did you first learn about the home you eventually purchased
  - 51% - Internet
  - 34% - My Real Estate Agent
  - 8% - Yard Sign
  - 5% - Friend, Relative, Neighbor, Knew the Seller
  - 2% - Homebuilder
  - <1% - Print media, direct mail, open houses, all else
2. Value of Website Features - % very useful
  - 89% - Photos
  - 85% - Detailed info about the home
  - 55%- Floor Plans
  - 50% - Virtual Tours

The biggest and, unfortunately, most common mistake made in marketing is the photography. You would think that, with pictures being the most helpful item to consumers, photography would receive the most attention 100% of the time. Yet, countless listings treat the photos like they don't matter. Either the quality is horrible, critical shots are missing (like the view, even in waterfront listings you see this), or only a couple of pictures are provided. All listings should have the photography professionally shot and the maximum photos allowed should be uploaded. Cell phones or cheap digital cameras can never get the lighting right and don't have a lens wide enough to shoot small rooms (you usually end up with pictures of furniture).

The next biggest issue is often half-hearted and hurried attempts to complete the listing, which leads to only the mandatory MLS fields being entered, with a couple of meaningless phrases entered in the public remarks section. Detailed information about the home is the second most helpful item on the list above. The MLS data is used to syndicate the listing across the internet. It needs to be completed and hit all the big selling features of the property. The public remarks section is critical because it will likely be read first.

The internet has made the yard sign a huge tool for sellers. For years, real estate agents have hung sign riders with a web address, where consumers can obtain pictures and other info about the home. However, current technology is to offer a number and property code on the sign that, when sent as a text by the consumer, will instantly deliver pictures and ad copy about the home to the customer's smart phone. No fumbling with a long URL; just text a 5-digit code to a 5-digit phone number and all the data and pictures are texted to you right in your car.

## Feedback

Feedback comes in a variety of forms. The best is from a conscientious agent that has just shown the home. However, with the internet, everything is quantifiable. Each week provides little pieces of the puzzle in online showings, emails sent, emails opened, saved as favorite, number of showings etc. Looking at all these items each week will often point to some form of action required.

As you will read in the blog post referenced at the beginning of this article, the internet has sped up the sales cycle. By the end of the first 7 days, virtually everyone looking for a home like yours will know about it. By the end of 30 days, all interested enough to visit your home will have done so. Each week after week 2, your showings, online views, and calls will drop off significantly. Depending on the time of the year and the seasonality of your area, the decline in showings could be to where you receive more showings in the first month than you do the rest of the listing period combined. That's why follow-up is so critical. If you are getting online views but no showings, showings but no offers, something is wrong. You need to reevaluate things quickly.

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## About Scott Norris

For 45 years, Scott Norris has lived in the Sarasota/Manatee area and has watched it flourish into one of Florida's most highly sought-after residential real estate markets. Through his myriad of business experiences, including being a licensed CPA, working for a Big 4 accounting firm and a large national retailer, and selling real estate in the area for over 16 years, Scott has accrued a unique cache of knowledge and experience that enables him to serve as a dependable, invaluable resource for his clients. His understanding of business and finance, his knowledge of the local marketplace, with his

professionalism and relationship building skills provide Scott with the foresight to address issues proactively before they become a problem and provide him with the ability to take a multidisciplinary approach to navigating today's complex real estate environment.

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