



## Mortgage Insight: 5 Reasons Some Homes Won't Sell

By Claudio D. Varga, President  
*My Home Loan Mortgage Services, Inc.*

Spring is the traditional peak sales season for houses and condos. Summer is also usually very good until the traditional August slump, especially for families who want to relocate before school starts. More prospective home buyers are in the market at this time of the year than during any other season.

But the current housing market is proving to be a bit different. Although recent years saw record home sales volume, the number of residence sales has slowed recently. There could be several reasons, such as adverse weather in many areas and slowly rising mortgage interest rates. In a few communities home sales prices have taken a slight dip so prospective buyers might be waiting to see if desperate home sellers reduce their asking prices. Another reason for waiting to buy a house or condo is the inventory of available listings is slowly rising, thus offering more homes available for sale. In summary, for most communities it is definitely a "buyer's market." That means there are more homes listed for sale than there are qualified home buyers. The result can be bargain prices for savvy home buyers.

### 5 Reasons Some Homes Don't Sell

If your house or condo is listed for sale with a successful realty

agent in your vicinity, there are five key reasons your home might not sell although nearby comparable residences are selling:

#### 1) The Asking Price is Too High

By far, this is the top reason a home doesn't sell. Although you might be just testing the market, prospective home buyers are very smart and they know an overpriced listing when they see it. Worse, their buyer's agents won't even bother showing homes with asking prices above recent sales prices of comparable nearby homes.

For this reason, if you want to get your home sold during this peak sales season, it is vital for your listing agent to keep you informed on a weekly basis of recent comparable home sales prices. Perhaps it's time for an asking price reduction.

To illustrate, just driving around the city and its suburbs, you'll be amazed at the considerable number of "price reduced" hangers on home-for-sale signs. That shows motivated home sellers (and their listing agents) are becoming more realistic.

#### 2) The Listing Agent Doesn't Make the Home Easy to Show

Well over 50 percent of home sales involve a listing agent and a buyer's agent. If the listing agent makes it difficult to show a home, such as requiring the listing agent be present for all showings, this discourages buyer's agents.

Unless there is a security reason, listed homes should always have a multiple listing service (MLS) lock-box key easily available for buyers' agent showings on short notice. Lock boxes are especially important for buyer's agents with out-of-town transferees who have a short time available to inspect homes for purchase.

A related problem can be the listing agent wants to "double end" the home sale by getting both the listing portion and the selling portion of the sales commission.

Although rare, some listing agents refuse to put their listings into the local MLS, thus preventing showings by buyer's agents. Or they might not put their listings on the Internet at [www.Realtor.com](http://www.Realtor.com) and other Web sites where 70 percent of today's home buyers start their searches before contacting a local realty agent.

#### 3) The Condition of the Home

Most home buyers want to purchase a residence in near "model home" condition where all they have to do is turn the key in the front door and move in. However, if the residence requires considerable work, that turns off all but the most die-hard bargain hunting home buyers.

Fixer-upper homes appeal to a very limited market of home buyers. Sometimes known as "bottom fishers," they will purchase such homes only at bargain prices, well below what can be obtained with

modest fix-up work such as painting (the most profitable improvement of all), repairing, and cleaning.

Word quickly spreads among local real estate agents when a home "doesn't show well." Buyers' agents will only show that residence to their bargain hunters, usually investors, who want to purchase far below market value.

#### 4) "As Is" Home Sale Can Be a Red Flag Turn-Off

Closely related to homes that don't show well are those listed for sale in "as is" condition. The term "as is" means the seller offers the residence in its current condition and will not pay for any repairs. However, the seller must still disclose in writing to buyers all known defects, such as a leaky roof or a bad foundation.

Many people have bought "as is" houses at bargain prices. But it's always important to include in your purchase offer a contingency clause for a professional inspection approval. If you don't approve the written report of your inspector, then you can cancel the purchase and get your good faith deposit refunded.

Whenever possible, home sellers should not offer their homes for sale "as is," because it is like waving a red flag in the buyer's face.

A better alternative is for the seller to obtain a professional inspection report and have the recommended repairs made before listing the home for sale.

Of course, when a home needs a major repair that the seller either can't afford or doesn't want to make, then an "as is" sale at a reduced price is advisable.

#### 5) Ineffective Marketing Methods

In today's home "buyer's market" in most communities, listing agents and do-it-yourself "for sale by owner" home sellers must use every marketing resource available. Most effective is the for sale sign on the front lawn. A close second is weekly newspaper advertising, especially for a weekend open house. In third place is Internet advertising, especially at [www.Realtor.com](http://www.Realtor.com) and other Web sites.

In addition, listing agents have the local MLS and their special networking among agents who represent prospective buyers for the

type of house or condo listed for sale. The local Association of Realtors is an especially effective resource to spread the word about a desirable home listed for sale. A key part of this sales technique is the "broker's tour" where only local agents are allowed to inspect a home for possible later showing to their buyers.

The best listing agents also use additional marketing methods, especially for their more expensive listings, such as color brochures and postcards mailed to nearby homeowners who may have friends who want to move to the area. Very expensive homes warrant the listing agent spending "big bucks" advertising residences in real estate magazine ads and offering Internet virtual tours.

#### Summary:

Selling houses and condos in the current buyer's market requires hard work by successful listing agents. If your home has been listed for sale with a successful realty agent over 45 days and without any purchase offers, it's time to discuss the five key reasons some homes don't sell with the listing agent and make adjustments to get your home sold.

*Claudio D. Varga is President of My Home Loan. The firm provides a wide variety of lending solutions for residential and commercial real estate. Claudio has been a licensed mortgage broker and consultant since 1998 and his clientele ranges from first time home buyers to professional multi-property real estate investors.*

*Claudio and My Home Loan are proud members of both the Irvine and U.S. Chambers of Commerce.*

*For more information, Claudio can be reached at:  
[ClaudioVarga@my-home-loan.com](mailto:ClaudioVarga@my-home-loan.com)*

### **My Home Loan**

*Mortgage Services, Inc.*

703 Cantor

Irvine, CA 92620

Toll free (877) LOAN-922

Fax: (509)693-9348

[ClaudioVarga@my-home-loan.com](mailto:ClaudioVarga@my-home-loan.com)

[www.My-Home-Loan.com](http://www.My-Home-Loan.com)