

If We Don't Sell Your Home in 30 Days Will We Buy It???

The housing market is recovering and the Portland markets have become a seller's market. Competition among Realtors® to get more listings to sell is as fierce as I have ever seen. The battle has been taken to the airwaves and the medium of choice seems to be radio. Some sound more like 'barkers' than professionals.

"If I do not sell your home in less than 59 days, I will buy it!" Others, "If I do not sell your home in 30 days, I will sell it for free!" Some suggest that, "unlike all those scoundrel, money-grubbing agents, I will sell your home for 1% instead of 6 or 7%". Most of the agents claim they have the most sophisticated marketing in the metro-plex and that they drive outrageous numbers of 'buyers' to their sites every month and that is how they can afford to do that. Are you sensing an erupting skepticism yet? I hope so.

"How can they do that? More importantly, how come you cannot do that Randy?" I hope you have heard what I learned from childhood which is "if something sounds too good to be true, it is too good to be true" so don't 'get taken' (caution, more clichés ahead!). Is it really unique marketing that enables such bold claims and wild promises?

Back in 2011, when almost nothing was selling and sellers were desperate for relief, I ran into an old colleague/friend from my past. He had joined one of the 'mega-teams' in Portland which made these impressive offers to sellers about buying any home not sold in 59 days. I asked him how many homes this agent had already bought. Expecting his answer to be at least dozens, he said, "None!" "Impossible", I reacted; "hundreds and even thousands of people want to get their homes sold in this dark market and none of them demanded he buy their home???. Did every one of them really sell in such short order?"

There is a method to getting that job done but I suspect the real reason he had not bought any homes was that no seller actually wanted to sell their homes to this agent for what he, or his investors, were willing pay!

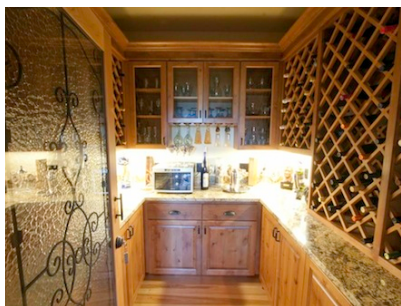
Think about the dynamic of quick sales regardless of market conditions: After Christmas, when everyone's homes are filled to the brim with newly purchased 'stuff', and people have racked up an enormous amount of debt to pay down, retailers are still able to sell a colossal amount of more 'stuff' during the month of January and reduce their inventory to the lowest level for the slowest selling season of the annual cycle. That seems like an impossible mission! How do they do it? Clearance prices, so low that people cannot pass up the opportunity! Retailers repeat this at the end of every season, and car dealers at the end of a model year, to clear space for the new season's inventory. How? At 50% off, 70% off, and sometimes for pennies on the dollar.

It is no different selling real estate. We adjust price to speed up a sale or to compensate for issues and objections buyers have with the property. Banks routinely and predictably clear-out foreclosed inventory in less than 30 days because the prices are too enticing to be ignored. **There is always a strategic tension between price and time on the market.** But it begs the question, "Do you really want to sell your home for between 15% and 30% (or more) under the current market value?" Most people want to maximize their sale price because real estate is often the most expensive purchase in a lifetime. Are you really going to shop with coupons to save 50 cents but then agree to leave tens of thousands of dollars on the closing table of a real estate sale?

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Some brokers say they will sell your home for 1%. Amazing, because we spend that much on genuine and extensive marketing alone, not including overhead, our pay, or profit for the future! 'You get what you pay for' is another truism. What about the buyer's agent who will expect at least 2.5% commission for bringing the buyer to you; who pays that? All of these 'gimmicks' are hooks so the agent can get a large amount of business quickly, and then have an easy time selling properties quickly. Like almost everything else in life (prepare for another cliché) 'follow the money'! If you are paying 1%, then the agent will not be expected to spend much on your home. If you want a quick sale then the price will need to be low. I would like a lot of sales quickly and easily; who wouldn't???

Before getting hooked and snookered, there is one more thing to consider, I can testify of cases where top tier agents in Portland, even the top 10 agents on the rung of success, have listed properties in Yamhill County and they have done a horrible job and have been fired. Why? First, because they do not know the area; second, because they do not want to come out here to service the listing; third, because their reputation and business does not depend on what happens in our area. Enter another tried and true saying: Out of sight, out of mind.

We promise not to buy your home, or sell your property for 1% because we are on your side!

We sell our client's properties with sophisticated and extensive marketing that is second to no one. We are not afraid to spend money because we understand that your sale is about presentation and the saturation of the marketplace. This is foundational to doing a great job which is how one builds a great reputation and a business that lasts.

Regarding price, our job is to provide local, current, accurate and complete information to you about the marketplace so you can see what a legitimate price range is for your property. The data will also suggest how long it will take and together we can make adjustments according to your goals.

I can neither create a buyer nor force one to buy what you have. We work with what we can control, what we know, and what we believe to be true, and then synchronize our efforts with market forces. We are determined to get you the most money possible but according to the time constraints you have.

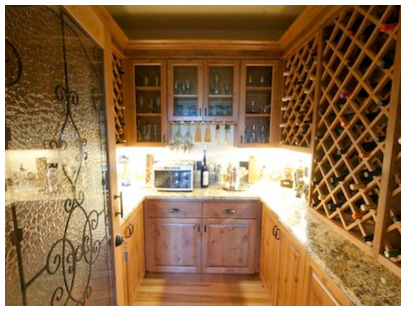
In early 2013 we listed a rural property in Carlton for the very high price of \$599k. We got a very high price for our seller when it closed in May for \$575k. I still get calls from appraisers asking how we got so much. We also listed a property in the west hills of McMinnville and got \$189 psf and a cash offer which was a price the McMinnville marketplace had not seen since the top of the market in 2007. A couple of months later, we bested that and got \$194 psf for a home on the golf course. In the fall we listed a 4-plex in Newberg for what every agent told us was clearly \$25,000 over-priced and would never sell. We got a full price offer and it appraised! We listed a nice single level home for \$299k and though it took 71 days, we got an offer for \$292k which appraised and was the highest price in its tier! In all of these situations, and many more less dramatic situations, we benchmarked new highs which we were able to justify for an independent appraiser. Sometimes agents thought we were crazy and neighbors questioned our competence, but we believed in our judgment. This cannot happen when an agent prices a property for an easy sell because they don't have the money, strategy, or will to sell it for a good price.

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Final Qualifier: The last thing I want to do is give the impression that if you hire us we will get you more money than your property is worth! What a nightmare that would be for us. Who can live up to that? What we did was understand the real value of the property, and even though it was challenging, we believed in it and worked hard to get it for our clients. I do not believe any of those sales resulted in a buyer paying too much. I think the buyers had excellent taste and an eye for value and made an exceptional purchase. It was a win-win-win, and that feels soooo good!

Best regards,

Randy

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