



5 outdated seller beliefs agents should debunk

The success of HGTV and the plethora of online information has shifted the ground rules of real estate sales

BY CARL MEDFORD

JUNE 16, 2019

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Any seller who has not sold a home in the past five years is in for a shock: Everything they thought they knew about selling a home has changed.

Sellers who do not understand the new rules of engagement can easily make costly mistakes and jeopardize their chances of a sale.

3 fundamental changes

These three changes have altered the homebuying and selling landscape forever.

Change 1: The advent of HGTV

Buyers spend countless hours watching [HGTV](#) and have developed extremely refined tastes. They know what they want and when they look at homes for sale. They are looking for properties that look

Buyers used to have to visit a home to add or remove it from their short list. No longer the case, today's sellers have between [seven and 10 seconds to sell their home](#), and those seconds are on a mobile device anywhere on the planet — *not* in any home for sale.

If a buyer does not like an online listing, they will move on to the next home in a heartbeat and will usually *not* come back to review.



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If they do not like what they see on their device, they will never waste their time visiting in person.

Change 3: The advent of internet real estate sites

[Realtor.com](#), [Zillow](#), [Trulia](#) and a host of broker-owned sites have populated the internet with user-friendly websites that provide property data, historical facts, HD pictures, automated valuations, neighborhood and school info, and more.

They have completely removed the need for buyers to visit in person to determine if they like a home. Once a buyer has shortlisted available inventory, they only visit the select few they like.

These three changes have not only revolutionized the way buyers search for and view prospective homes, they have transformed *what* they buy as well. Historically, there were three groups of buyers:

Top-tier buyers: Willing to pay a premium, this group looked for move-in ready homes that had all the amenities they were looking for.

Middle-tier buyers: Looking for homes in “original” condition, this group hoped to get a decent price and then improve the home over time with sweat equity.

Bottom-tier buyers: This third group were contractors and flippers looking for distressed properties they could buy for 60 percent to 70 percent of retail value.

The middle tier, which historically represented a significant percentage of market sales, is disappearing. More comfortable with tech than construction, today's buyers are forgoing the middle tier en masse and paying more to obtain move-in-ready homes that look like the finished properties they have seen on HGTV.

This is not simply the consequence of real estate-related technologies. The past few years have seen sweeping societal shifts as homebuyer wannabes, for many reasons, are less willing or even capable of fixing up a home they've purchased.

They know exactly what they like when they see it, but have almost no idea how to produce it themselves. The No. 1 question buyers ask about our listings is, “Can we buy the [staging](#)?”

With buyers moving away from “original condition” properties they perceive as needing upgrades, homes that appear in the middle tier are being forced down into the bottom tier and need to be priced

5 seller myths

With this in mind, here are the top five seller beliefs that are no longer true:

1. I do not need to have the listing agent visit until my home is ready.

Wrong. In reality, the sooner the agent can get in, the better. Sellers, assuming the old rules still apply, might spend money on things that could harm a home's potential and, conversely, fail to spend money where it matters.

[Agents](#) can not only help sellers [maximize their potential](#), but they can also connect them with the trades and other professionals required to do it right.

2. I do not need to upgrade the property for sale.

Since increasing numbers of buyers are looking for move-in ready homes, the more a seller does to [get the home to that level](#), the higher the returns. In an up market, sellers can reap a \$2-\$3 dollar return for every dollar spent.

In a declining market, they may not get 100 percent back, but they will get a sale. I frequently hear sellers ask, "Why should I upgrade? Won't the new buyers come in and rip out all the stuff I just put in?"

That is not the right question. A better question is, "What can I do to make my online pictures sizzle to get the highest number of buyers through the front door regardless of what a buyer does once they own the home?"

If a seller can invest \$1,000 on carpets and in the process make \$3,000, does it matter what the new owner does once they move in?

3. I need open houses to sell my home.

The myth here is that buyers need to visit your home in person to decide whether they like it or not. In the new reality, buyers are visiting because they have already seen the home online and decided it was worth seeing in person.

[Open houses](#) simply make it easier for buyers who are already going to visit to actually get in. They also make it easy for the neighbors to come through — which is good because they frequently know someone looking to move into the area.

4. I need many open house signs at multiple key intersections.

Wrong again. Savvy [listing agents](#) put out tons of signs because they are free advertising. Buyers who have seen the home online do not need directional signs to find the home. With open houses dates and times syndicating to all the major web portals, buyers simply use the GPS feature in their phones.

As for the neighbors, they will not come because you posted signs at far away intersections. To get them, you want signs close to the open house.

5. If buyers really want my house, they will pay more than market value.

While pricing strategies vary from region to region, most agents know to recommend that sellers price listings close to market realities. As more listings come onto the market, buyers have more choices and migrate toward those they believe represent good values.

Sellers who insist they must net a specific amount, which in turn pushes the price too high, are only kidding themselves.

For sellers who have not sold a home in recent years, the new rules can be a shock. Ironically, since most sellers are also looking to buy a replacement home, all I usually have to do to change their thinking is to ask them how they are personally searching for homes in their new location.

They walk me through their process, and suddenly, in most cases, they get it.

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Carl Medford is the CEO of The Medford Team.

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Amy Harbeck

Excellent summary! I would add that print ads were previously important to promote a listing. Some agencies still spend a lot of money on print advertising, but now the purpose is to please sellers and attract new seller clients. Today, agents know it is all about what happens on line and that is where the focus needs to be.

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Susan Romashko Baltaragis

So true!

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Lynne Totaro Kelleher

WOW! What a great article. Just sent it to a client who thinks there's nothing wrong with her wallpaper (wallpaper is IN now you know) and if the Buyer doesn't like it they can remove it themselves....

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Grant Rothberg

Totally disagree about the open house strategy. We use it diligently and have discovered countless buyers for our listings from people who just "saw the signs." In some markets, yes, buyers are highly tech focused. But in most of middle America, a simple sign still is remarkable effective.

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OttawaAgent.ca

Really good article, Carl. The only exception in our market being buyer reliance on AVMs. But buyers still rapidly develop a sense of great value and will not over-pay based on market value. A completely different concept than paying over asking. You've nailed a lot of reality in this piece.

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Fabi Banifatemi

The online Zestimate part invalidated the whole report. Sellers should put their house at market value not online Zestimates sites which could be off by couple hundred thousands or more.

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Carl Medford

I was not suggesting that sellers should use Zestimates to determine pricing for their home - there is no replacement for agents providing solid CMAs based on actual market data and visits to the subject property to ascertain the level of amenities, property condition and so on. I was merely stating that buyers - whether we like it or not - are using AVMs such as Zillow to get a quick read on market values for listings and, if the list price is way over the value given by the AVM they are using, will more then likely not bother visiting.

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Pete Doiron

I frequently advise buyers to give strong consideration to a "top tier" property over a "middle tier" simply

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Carl Medford

Great advice.

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Pete Doiron

I frequently advise retail buyers to give strong consideration to a "top tier" property over a "middle tier" simply because improvements that are completed can be financed at 4% as opposed to additional cash out of pocket and countless weekends at Home Depot to facilitate improvements after closing.

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Bradley Reeves

Great article! Time and time again, we hear prospective buyers find our listings and other listings from different online sites straight from their phone and not by the open house signs. Like you mentioned above, with technology right at our finger tips, its easy for a buyers to just hit the address and have directions to the home. Open house signs/yard signs, at least in our market, is simply for advertising to other potential sellers in that area.

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Maryann O'Donnell

good article thankyou

Like · Reply · 2 · 2d



Bobby Babak Yazdani

One of the best articles I've read in terms of useful content. Thank you!

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