

# Incentives Attract Buyers With More Value, Less Cost

Does the real estate market you're in have a lot more homes for sale than the number of buyers interested in them? If you're getting ready to sell your home in a "buyer's market," you may need to offer a little bit more to get the purchase contract you're looking for in a reasonable time frame.

## Basics First: Price And Condition

Of course, the fundamentals will always hold true, no matter how a real estate market is behaving.

To sell a home quickly, at the best possible price, owners must ensure that:

- The list price is in line with today's market (not yesterday's);
- The home is in good, preferably move-in condition, and;
- The home has enough curb appeal to attract buyers inside.

Among these, price is still the critical variable. You may benefit by getting a pre-listing appraisal to ensure your asking price is attractive. You may even want to price your home a little below appraisal — say 5% lower than the last comparable sale — and, of course, advertise that fact to buyers.

You can tell your price is too high if you've had no showings

at all or if you've had, say, 10 showings but no offers or if the competition has dropped their price below yours. Also, keep an eye on comparable properties whose listings have expired; those failed listings tell you what price is too high in today's market.

## Beyond Basics

Still, ensuring the fundamentals are handled may not be enough to accomplish the sale within your moving time frame. Offering incentives to buyers could be the key to attracting a purchase offer quickly without "giving away the farm." A good, effective incentive will attract buyers' attention *and* motivate purchase offers while having minimal impact on your net proceeds from the sale. In fact, the right incentive can sometimes be more attractive to buyers than a lower sales price.

## Follow The Pros

Take a cue from builders and condo developers. To get their properties sold in cooling markets, they are often the first to offer incentives including:

- Drawings for a free home (to increase traffic to the builder's model vs. competitors' properties).
- No-money-down financing.
- Buyout programs for sellers with a home to sell.
- Guaranteed pricing (if prices go down before settlement or closing, the buyer gets the lower price).
- Six months to a year of mortgage payments.

- Free upgrades (better carpeting, flooring, fixtures, custom paint colors, options, etc.).
- Discounts for buying during a "12-hour sale" period.
- Free vacation lodging and/or round-trip plane tickets.

## Customize Your Strategy

Although many of the types of incentives offered by builders and developers may not be feasible — nor advisable — for individual sellers to offer, you can take inspiration from them:

- Offer to take back a second mortgage for qualified buyers who can't quite finance the purchase price.

## DRAWING TRAFFIC TO YOUR DOOR

When there's a glut of homes on the market, and not enough buyers to go around, getting buyers to even look at a home can be challenging. That's where "traffic incentives" pay off — enticing potential buyers and their agents to put your home at the top of their list for a look-see.

Here are some offers other sellers have used effectively to generate showings.

- Drawings (where legal) for, say, a free weekend at a five-star hotel or a week-long vacation at an exotic place. Be sure to select a prize with wide-ranging appeal to buyers.
- Bonus or higher commission for the agent who brings in your buyer.
- Broker open house with caterer and gifts.
- Discount coupons, gift certificates or free tickets to area sporting events, restaurants, concerts, movie theaters, stores, etc.

Let your imagination go wild, but limit your offers to agents and to serious buyers who are qualified to purchase your home.

To Purchase Call (703) 698-7750

