

## It Hasn't Sold, WHAT CAN YOU DO?

You have almost completed, or have completed, a new home, and it hasn't sold. You completed it several months ago, and it hasn't sold. What's a builder to do! First, you must understand that we have a different market now. Back in 2004 and 2005, we had a good market, with new construction, and resale homes, selling at a brisk pace. That's not the market now. For example, during the first six (6) months of 2006, the Tallahassee Board of Realtors recorded 748 single family new construction closings, but in the first six (6) months of 2007, that number had dropped to 455. On top of that, the Board of Realtors had 747 single family new construction homes listing as Active on July 30, 2007. All this shows that we still have lots of inventory, but a lot less BUYERS!

**WHAT YOU CAN DO** is go after these buyers. Go after them with SALES and FINANCIAL incentives. Go after them with your WEBSITE.

### IF YOU DON'T HAVE A WEBSITE, GET ONE!!

If you do have one already, then improve it. Get it on the popular search engines so buyers can, and will, find you. Some publications are indicating that 70%+ of buyers are searching the internet before they ever go look at any properties. Show your homes, your floor plans, your neighborhoods, highlight yourself and your company, and draw these prospective buyers to YOU.

**WHAT YOU CAN DO** is offer some financial incentives to buyers. While price is important, very important, one must assume that you are already competitively priced.

You now need to **STAND OUT..** One of Tallahassee largest builders is offering to buy down the interest rate for the buyer. A common example of this is known as the 2/1 buydown. In this instance, a builder will prepay a portion of the lenders interest for 2 years, thereby allowing the buyer to start at a lower interest rate, ie 4.5% the first year instead of 6.5%, 5.5% the second year, and then 6.5% thereafter. In addition to getting



the lower rate, the buyer needs only to qualify at the lower rate. On a \$250,000 mortgage, 6.5%, 30 yrs, the principle and interest payment at 6.5% would be \$1,580.17. With the 4.5% buydown, the first year at 4.5% would be \$1266.71, a saving of \$3,761.52. The second year the payment at 5.5% would be \$1,419.47, an additional savings of \$1928.84. This can be quite attractive to buyers, and the cost to the builder averages only 2% of the sales price. My friend, Janyce Horton of Wells Fargo Home Mortgage, who reviewed these figures, also advises that Wells Fargo, and possibly other lenders, may also assist by funding part of the buydown expense.

Another financial incentive may include assisting with the buyers closing cost, thereby further saving the buyer's initial cash outlay.

After financing, **WHAT YOU CAN DO** is dress up the house. LIPSTICK AND LACE!

**LIPSTICK.** You only get one chance to make a first impression, and that holds true when a prospective buyer drives by your house. What does the yard, and landscaping, look like? If it doesn't look like a magazine picture, then make it look like a magazine picture. Sod the entire yard, not just the front, a little on the sides and back. Place attractive flower beds out by the mailbox, the sides of the front yard, plants along the driveway, and very nice plants and bedding at the front and the entrance. Add landscape lighting along the driveway and the walkway. Add flood lights that show off the front of the house at night. You'd be surprised that the number of people that may drive by in the evening when good lighting would really showcase your house. Place some trees in the front yard AND the back yard. And to keep this yard looking great, install a sprinkler system.

**LACE.** Upgrade the inside. Add Crown to the foyer, the dining room, the Master Suite, and any other place where crown molding would add a dimension to the room. Upgrade your appliance package...Not only upgraded appliances, but a complete appliance package including a refrigerator and a washer/dryer. Add a security system. Use energy efficient appliances and building materials, ie, upgraded insulation.(Icynene), a Rinnai water heater, Folks know you're a good builder, and you stand behind your work, but folks want it in writing. Provide a full, insured, warranty such as Bonded Builders Warranty or Preferred Builders Warranty, both members of the Tallahassee Builders Association.

Remember, we are in a slow market with fewer buyers. Hopefully you can implement some of these, or other, ideas, to make your home stand out, and be the one that will catch a buyer's attention.

**Bert Bevis, ABR, GRI, CRS**  
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