



# How to sell your Salt Spring home...

To sell your home first we need to define our terms;

**Marketing** is the process associated with promotion for sale of goods or services.

**Merchandising** means maximizing merchandise sales using product design, selection, packaging, pricing, and display that stimulates consumers to spend more.

This is a very powerful quote by Paco Underhill in his book "WHY WE BUY"

"We live in a tactile-deprived society, and shopping is one of our few chances to freely experience the material world firsthand. Almost all unplanned buying is a result of touching, hearing, smelling or tasting something on the premise of a store-- which is why merchandising can be more powerful than marketing, why the Internet, catalogs and home shopping on TV will complement but never seriously challenge real live stores."

Paco Underhill's book is written for retail sales. Home sales follows the same basic principles. There are two parts to selling your home Merchandising and Marketing.

Follow my **3 easy steps to merchandise** your Salt Spring Island house.

**Step 1** We help you in gathering the information for the buyers...

Gather all the relevant information on your house. We live in the information age and buyers want any and all relevant information on the house they are thinking about buying. If you do not fill in all the blanks and thus leave doubts they will not buy. The buying decision is easier if all the facts are known. This is the type of information the buyers would like; building plans, building permits, title, easements, floor plans, surveys, appliance receipts, septic tank pumping receipts, telephone bills, cable bills, electric bills, Internet bills, tax notices, fire insurance docs, water bills, propane rental tank contract, home warranty docs and any strata docs.

You can go the extra mile and hire a few experts such as;

- House inspector to do a house inspection and then if there are any big problems you can fix them prior to putting your house on the market.
- Septic inspection company to send a high tech camera down into your septic field. With septic systems costing so much, due to the new provincial regulations, a non-serviceable system could cost you the sale. Fields can be cleaned out with powerful high pressure water.



- Have a water testing company do a water test.
- Surveyor to flag the property boundaries.
- Hire a energy auditor to do a house energy audit and get your EnerGuide rating for your house.
- Hire an appraiser to tell you what your house is worth.

## **Step 2** We help you set up the house to sell (Merchandise your house)...

Rent a storage locker and fill it. Removing 25% - 30% of the contents of your home will make the house look 50% - 60% bigger. You're planning to move anyhow, so might as well get packing.

Stage your house to sell. You are not selling your home you are selling your house. Your home is all your possessions and you will be moving them to your next place you call home. A stager will make you house look and feel like a gorgeous show home.

Hire a pro photographer and have them shoot a minimum of 20 incredible photos.

Create a Brag Book. A Brag book is a book which is left out during showing and has all the information on your house in it. About 70% of homes are shown by other agents not the listing agent. A Brag book will give the buyers every scrap of information so they can make a buying decision. It should be able to answer every question about the home. If there is doubt or unanswered questions the buyers will hesitate. No one buys if there is doubt.

## **Step 3** We help you with a “showings strategy” that works. Set the stage to sell...

Put yourself in the shoes of the buyers. Chances are they have traveled a great distance to get here, they are not sleeping well, the winding roads have made them feel woozy, they are not in their comfort zone.

Most agent set up showings at 45 minute intervals. That includes travel time between homes. If they spend 30 minutes at your house it is critical that you make it count. If you have guests come over it is polite to offer coffee and cookies / muffins. They buyers have been run off their feet and chances are they are tired. Once they come into your house you want them to feel at home. Most buyers head for the center of the house first, which is the kitchen. This is where you have the coffee waiting for them, with a sign that says cream is in the fridge. When they open the fridge they feel like they are at home. A simple muffin and coffee makes them stop and relax. What do you think you could put right there in the kitchen? The Brag book, Brochures and a suggestion box for feedback. The buyers will be more relaxed, in a better mood, and happy. Very few if any sellers do this. This is so simple and powerful. With the Brag book out, property flagged and the house staged, the buyers will see your house at its best. They will be feeling better with a coffee in them and a snack and they'll have a color brochure in hand that highlights your house. They will be sitting in their B&B that night analyzing all the houses and your house will stand out. There is a high probability that if you do all the above, the buyers will love your house and write you an offer at close to asking price.

This is how to Merchandise a house to sell. Now let's look at marketing a house to sell.



### My 3 Steps to Marketing your house to the buyers.

Who are the buyers? There are a few different buyer types;

The typical buyer moving to Salt Spring is usually; a couple or single, 55 to 60 year old, usually semi retired or retired professionals or business owners, with a net worth between 500k and 1mil. Their net worth might be supplemented in the form of a government pension, annuity, rental income, proceeds from a business they may have sold or they may continue to work part time via the net. They are from an urban city, have extremely high taste, are well traveled, well read and are very focused on themselves, their family and friends. They want it all, they want it now and they know what they want. Let's face it Salt Spring is not low end, Salt Spring attracts buyers with discerning tastes. Your house has to appeal to these buyers if you want to sell for top dollar.

The typical, on-island buyer, is either single or a couple who is doing an on-island vertical move either up-market, downsizing or moving close to town. Usually they work at a local business such as the school district, hospital, ferries and or private business. The on-island buyer will know the island very well and be focusing on location and quality, not necessarily the look of the place.

The last group of buyers represents less than 5% of the buyers. They are the handy person looking for the house to fix up either to live in or flip. This is a very small buying group. They are looking for a deal on the house that has been well worn. They buy on price, price and price. To make it work for them they have to buy at a low price. They have to buy a house in a great location that can be fixed up and sold for more without the market moving up in price.

So there are a few of the basic types of buyers.

What about the **marketing to the Buyers**? How did it work? When I bought my first house, the MLS® was in book form, there was no on-line shopping. I could only look at the book at my agent's office or in her car. She would not give me a copy of the MLS® book. She had all the information. I spent hours at her office going over listings. About 10 years ago the MLS® went on-line. The buyers have complete access. This has been a paradigm shift and some agents have resisted. They were used to having all the information and hoarding it. They could direct the buyers to look at the properties they wanted the buyers to see. Today the buyers see what they want to see.



## The Old Standard



In the past it was common to "bait" the Consumer

Providing only basic information and then requiring users to register for the agent to "open up the book" to provide more complete information was a common bait-and-switch technique that was effective... for a while.

Today approximately 90% - 98% of the buyers are searching for real estate on-line. They search while sitting at their desks, at home, in the coffee shops. How many go to real estate offices and look? The days of the real estate office are numbered. Here is a picture of closed one on Vancouver Island.



So if the buyers are searching on-line how do we get them to buy your house?  
What do the buyers want to see? Why will they look at your house?

Buyers want to see gorgeous photos of a house they can envision it **as their home**.



Believe it or not these photos were on the MLS®. It took me mere minutes to find these photos.



If you look close you can see what they had for lunch. Same home living room picture just makes you want to move in. **BAD PHOTOGRAPHY IS A SIN** make sure your house does not look like this on line. The house above was listed for 1 million dollars. Wow good luck with that wonky looking hottub.



To **attract buyers** You need photos like this

**Step 1** Assuming I have 36-50 wide angle (28mm) gorgeous photos of your home and perhaps a video clip, it is time to start to pull all the listing information together such as the information in the Brag Book and to make a dynamic on-line listing presentation of your house.



Look at an example of our Virtual tour. On our web site [www.escapetosaltspring.com](http://www.escapetosaltspring.com) Buyers want to see rich listing details with all the information about the houses they are looking at. The days of 6 photos of a house are gone. We will make a dynamite, interactive listing for your house that is put on the MLS® and has a link off the MLS® to your own web page.

<b>\$480,000</b>	<b>911 Beaver Point Rd Salt Spring Island, British Columbia</b>
	<p><b>MLS®: 269418</b>          South of Salt Spring at it's finest this home has lots to offer those looking in this area. Close to Ruckle park, Weston lake, and on a very private south facing setting. Three story modern west coast theme with great wood work though out. Big south facing garden awaits your imagination and seeds to make...</p>
	<p><a href="#">For More Information</a></p>
 <p><b>Scott Simmons</b>          Telephone: 250-538-8316          Email <a href="mailto:REALTOR@REALTOR.COM">REALTOR@REALTOR.COM</a>  <a href="#">REALTOR Website</a></p>	<p><b>One Percent Realty Vancouver Island</b>          2541A Empire St          Victoria, British Columbia V8T 3M3          Telephone: 250-220-8600          Fax: 250-388-7382          Email <a href="mailto:Office@OnePercentRealty.com">Office</a>  <a href="#">Office Website</a></p>

Once the buyers click on the view multimedia link they come right to your own virtual site.

Also, on a 24/7 basis, full colour brochures of your home are available on-line in a down-loadable format for the buyers.

With your permission I can also shoot a video clip of your place and put it on Youtube.

## Here's the Kicker...



### ...the advertising

Not only does rich data attract more consumers, Point2 Agent also automatically syndicates your listings to some of the busiest real estate sites on the web



**Step 2** Syndication of your listing with my top ranked Point2 Agent web site; My site is linked with 100's of other web sites and blogs. Your listing will be shot out over the Internet. Not just on the MLS® but on to hundreds of relevant real estate sites.

### **Step 3 Marketing Price your house to sell...**

How do you price a house to sell?

First things first. How badly do you want to sell? What is your motivation to sell? Are the bill collectors standing at the door? Is your mortgage in arrears? Do you just want to see what you could get? Are you fishing for a high price? Did you get an appraisal done on your home as part of gathering the information? If you did, you should have a pretty good idea of what your house is worth.

What most agents do is a Comparative Market Analysis of your house.



This CMA will have 3 types of houses it compares your house to; Sold houses, Active listings and Expired/canceled listings. Each house should be similar to yours in lot size, size of house, age of house, style of house, view from house, lot location, etc... Now on Salt Spring this is not an easy task but this is what the buyers are doing to select a house to buy. They are looking for Value and the Value leader in their price range.

No products are sold because of features of the product. Features are useless..... buyers buy because of the benefits of the features. Buyers want benefits from the house they buy, such as a large deck designed for entertaining. If entertaining is what they want to do, the feature of the large deck will appeal to them. If they do not entertain the large deck may be an unwanted burden that will require painting and cleaning. It comes down to BENEFITS, BENEFITS and BENEFITIS for the buyers. Does your house offer appealing benefits to buyers or does it look like a money pit? Very few people



want a house that needs work.

Another type of pricing tool is replacement cost analysis. How much would it cost to replace the house on a similar lot? In this market there are plenty of building lots and construction costs are down so the buyers will look at the possibility of building new and getting the Benefits they want.

There are three basic prices you can have for your house; below market, market priced and overpriced.

The sellers' fear is always that they are going too **sell to low** and give away their house? In reality, if you have a good agent this would be technically impossible to do. If your house is on the MLS® and you have it priced at a market price or below market price you will get **lots of showings**. If you are truly below market price you will know because you will get multiple offers and the buyers will have to outbid each other to buy your house. The worst strategy is to overprice your house. It will languish on the market. Last year I visited with a couple who had their house on the market for over 1000 days and had three showings. They still would not believe they had overpriced their house. How could an agent overprice a house? Why would an agent overprice a house is a better question. Listings bring in the buyers. There is a old real estate saying, "you have to list to last".

Here is a quote from Ray Wilson's book "BOUGHT NOT SOLD": "[The same home advertised over a long period loses its attractive power, but the optimum is to have it around long enough to draw as many buyers as possible before being sold. For this reason, the tendency of owners to overprice their homes can have an upside for the agency, preventing the "premature" sale, letting the home attract buyers for other sales until the owner adjusts to its real value.](#)"

Do you want your house to be the bait to sell other houses? I would think not. Do not get tricked into overpricing. If 3 agents tell you your house is worth 630k do not list with agent number 4 who says your house is worth 750k. It will not work. You have become live bait at that point.

If Salt Spring in 2010 was an overheated seller's market with very few listings you might have a hard time overpricing your house. Just put any price on it and you could get multiple offers. Nice thought but the reality of the market is we are in a **buyers' market** with about approximately 400 listings and probably fewer than half will sell this year. If your house is over the million dollar mark there is more selection and only about 1 in 10 will sell. You need to price your house very sharply to sell in this current buyers' market. Your house has to have the best value in its price range and with the benefits the buyers are looking for.

Will the good old days of a sellers' market come back? Yes, one day but who knows when. My guess is that in 2016 there will be a shortage of listings but who knows what the future holds. This is now. Can you wait 6 years?

If you get anything off this page I hope it's this; do not make the fatal mistake of **Overpricing your house** and failure to take into account the **opportunity cost** of the equity in your house.

One veteran real estate agent told me **98% of Marketing is Price!!!**



### What does all this cost?

All of this must cost a lot? How much do I charge to sell your Salt Spring Island house? Just 1% plus a \$900 disbursement fee or a minimum of \$6000 plus the \$900 disbursement fee for a full service MLS® listing with attached virtual tour, down-loadable brochure.....

How can I do it all for so little? Easy. I leverage the Internet and work out of my home office, not a fancy old-fashioned real estate office that no one goes to anyway. Low commissions are a way of letting you lower your selling price but keep more of the money in your pocket when you sell.

What about the myth that other agents will not show a 1% listing? If you have followed the steps above your house will be **irresistible to the buyers** and the other agents will bring them to see your stunning house. The buyers' agent might ask the buyers to pay them more commission or might ask you to pay more commission if they bring in an offer. This puts you, the seller, in the driver's seat. It gives you leverage when an offer comes in. The buyers like low commissions because they know you are not being charged as much and can sell for less or sell at market price and make more. Low commissions are a win win for everyone but the high overhead agents who are not adapting to the new on-line world we live in. Don't worry, they will learn to adapt or go out of business.



## I will Dare to Compare Commissions

Here is a an comparison of what I charge and what other agents charge.

Your House	1%	Typical MLS® Broker	Savings
\$ 200,000	\$ 6,000+adm*	\$ 10,000	\$ 3,100
\$ 300,000	\$ 6,000+adm*	\$ 13,000	\$ 6,100
\$ 400,000	\$ 6,000+adm*	\$ 16,000	\$ 9,100
\$ 500,000	\$ 6,000+adm*	\$ 19,000	\$ 12,100
\$ 600,000	\$ 6,000+adm*	\$ 22,000	\$ 15,100
\$ 700,000	\$ 7,000+adm*	\$ 25,000	\$ 17,100
\$ 800,000	\$ 8,000+adm*	\$ 28,000	\$ 19,100
\$ 900,000	\$ 9,000+adm*	\$ 31,000	\$ 21,100
\$ 1,000,000	\$ 10,000+adm*	\$ 34,000	\$ 23,100
* Administration charge is \$900			

This is based on typical MLS® brokers charging 7% on the first \$100,000 and 3% on the balance. Commissions are not all the same and there are no "standard commissions" but this is what we are comparing on this chart. Ask what they are going to charge you and do a comparison. All commissions are subject to **5% GST** for now and will be subject to HST of 12% in the summer of 2010.

The future looks bright for on-line agents with low overhead.

My Goal is to help you put one of these signs in front of your house through **effective merchandising** and **professional marketing** of your house. This will happen if we price it right to sell in this market.



**1%**

**ONE PERCENT**  
— REALTY VANCOUVER ISLAND —

**FSOLE**

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**MLS**  
MULTIPLE LISTING SERVICE

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Cheers

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