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Home buyers can smell a rat in ad: prof Getting price, description right results in quicker sales

By Mary Lamey

REALTORS like to say it's all about location, location, location when it comes to selling a home. But the findings of a new study suggest they might want to consider changing that to it's all about words, words, words.

Paul Anglin, a professor of real-estate trends and economics at Guelph University, recently published an academic paper showing that some words are more helpful than others when it comes to selling a house. What works and what doesn't might surprise you.

Anglin studied more than 20,000 real-estate listings, all the homes posted on the Windsor and Essex County Real Estate Board's MLS system between 1997 and 2000. He looked at three things: sale price, time until sale and the descriptions found in the listings.

Crunching the data, Anglin found that properties with the descriptors "beautiful," "handyman's special" and "landscaping" sold faster and for a higher price than those using a term like "motivated."

We aren't talking about small differences, either. According to Anglin's research, using a word like beautiful or gorgeous in the listing cut the time the house remained on the market by 15 per cent or more. They also boosted the sale price by five per cent. A house described as a handyman's special sold 50 per cent quicker than the average.

Perversely, if the listing mentioned that the vendor was "moving" or "motivated," the property tended to take up to 30 per cent longer than average to sell and fetched one per cent and eight per cent less, respectively. Using a come-on like "must see" had no discernible effect on buyers, according to Anglin.

The results surprised even the professor. It turns out that home buyers are suckers for words that play up a home's curb appeal and generally pay less attention to those that emphasize price or potential.

Are people really that gullible?

"It seems they are," Anglin said in a recent phone interview from Guelph. "But there's a danger. If you say a home is beautiful -- whatever that means -- it had better be beautiful. Otherwise, the buyer will immediately have a negative reaction and wonder what else you've misrepresented."

In some instances, listings language can actually damn with faint praise. Rather than piquing buyers' interest, the promise that a house is "freshly painted" might actually make them wonder if that's the only thing the place has going for it. What aren't they saying?

I'm guessing that this opening line, which, I kid you not, was recently posted in an online MLS listing, is not what the good professor has in mind: "This cottage on 3 levels don't look that good in exterior but his interieur (sic) can be fabulous with a little work."

According to Anglin's theory, that property would draw attention if the unenticing description was matched with an enticingly low sale price. It wasn't.

Real-estate agent Barry Schreiber listened with interest as I described the broad outlines of Anglin's research. What he heard made sense to him. A former advertising man and English professor, Schreiber has been an agent with his Montreal-area office for three years. He puts a lot of time into crafting his listings and prides himself for writing ads that jump out at the reader.

"It's definitely a skill," said Schreiber, who once wrote and ran an ad in a local paper comparing one of his Westmount listings with Windsor Castle -- both might be viewed as old, in need of costly repairs and not close to downtown. He got lots of calls. "I'm not sure the client appreciates the effort that goes into a good listing," Schreiber said. "But if you do it right, your listing stands out among all the others."

Winnipeg Realtor Jeff Stern of Maximum Realty said many words are overused in listings and "really don't carry very much."

"Gleaming hardwood floors" and "close to schools and bus" really don't help Winnipeg advertisements.

"Where the magic comes in is when you look at the property in the best light," Stern said. Part of that, he said, is understanding who is the most-likely buyer for the property. Stern agreed that "vendor motivated" is a term that Realtors should use only between themselves, as in the public's eye, creates a perception that something is being concealed.

Creating a compelling listing "is not just slapping in words to get the space filled."

Stern said on the Multiple Listing Service, which is also used to create the printed *Winnipeg Real Estate News* advertisements, Realtors have two areas to include comments about the home: One area is strictly between agents; the other is for public consumption. Stern said some Realtors simply copy the same information in both areas -- a mistake.

Anglin's observation that pretty words sell seems to have an exception, namely, the use of the term "handyman's special." To some, that might prompt images of a dated kitchen, or doors and windows begging to be replaced. Not to others.

"It's Marketing 101," explained Anglin. "You're trying to attract that one buyer in a hundred who is looking for a fixer-upper. The corollary is that the house has to be priced accordingly."

That is the real bottom line of his research. Anglin set out to understand what influences the sale. Unsurprisingly, it boiled down to two things: getting the description right and getting the price right. Finding the sweet spot -- correct price and correct description -- results in a quicker sale at a better price. --*CanWest News Service, with files by staff*