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Home Buyers Shun 'Fixer-Uppers'

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RISMEDIA, May 2, 2011—(MCT)—In the overheated housing market of five years ago, buyers often felt they had to accept homes in woeful condition. But these days, most look at "as-is" properties and say, "No thanks." "I try to stay away from things that need a lot of work," says Michael Lisa of Chestnut Ridge, N.Y., who is searching for a home in northern Bergen County, N.J.

"Buyers will tolerate nothing," says Maria Rini, a Re/Max agent in Oradell, N.J. A recent Coldwell banker survey found that 87 percent of first-time buyers said a move-in-ready home is important to them.

"This is absolutely the story of this market. It seems buyers will pay a premium, engage in a bidding war and even overpay just to avoid buying a 'project' house," said Beth Freed of Terrie O'Connor Realtors in Ridgewood, N.J.

As a result, real estate agents strongly advise sellers to fix up their homes for quicker and more profitable sales.

For example, when Kate Conover recently listed a Franklin Lakes, N.J., colonial, she encouraged the seller to replace the roof and driveway, repair ceilings, rip up carpets and paint interiors.

Paying contractors to do the work cost almost \$40,000, but Conover estimated it added well over \$100,000 to the asking price.

"There is no question homes that have been spruced up for the market sell quicker," says Conover, a Re/Max agent in Saddle River, N.J.

But she recommended against major renovations—such as replacing the kitchen and baths—in the Franklin Lakes home. Most agents agree with that philosophy, saying sellers shouldn't risk spending more than they'll get back in the sale price. That's especially true with major kitchen and bath renovations because they're so much a matter of taste.

"No matter what you do, it may not be the buyer's choice anyway," says Antoinette Gangi, a Re/Max agent in Woodcliff Lake, N.J.

On the other hand, agents say that major maintenance and safety issues—such as underground oil tanks and leaky roofs—must be dealt with before the home goes on the market, because buyers are unwilling to take them on.

Beyond those kinds of headaches, sellers can make a big difference with simple and relatively inexpensive fixes: painting the walls, getting rid of clutter and pulling up carpets to show the hardwood floors that buyers crave.

And spruce up the front yard and entryway to make a good first impression, recommends Pat Sudal, a Weichert agent in Ramsey. "Freshen the flowerpots, trim the bushes and mulch," she suggests. In the same vein, Gangi recommends painting the front door if it's looking tired.

"Curb appeal is very important, and the front door is the first thing you see," Gangi says.

Getting rid of clutter (as part of an overall deep cleaning) is probably the most cost-effective step, agents say. When sellers resist this advice, Rini reminds them they'll have to pack up their stuff when they move anyway.

"You've got to clean it out sometime; if you do it now, it's going to benefit you financially," she says.

Marie Ferraro, an Oakland, N.J. decorator who works with sellers, calls this "pre-packing."

"You want to depersonalize the home so that prospective buyers can see their lifestyle happening there," says Ferraro. Buyers may not even consciously notice that a room is cluttered or crowded with awkwardly arranged furniture, she said, "but they experience it nonetheless."

"Get everything off the floor," advises Cynthia Harkins, an agent with Prominent Properties Sotheby's International Realty in Franklin Lakes.

Harkins, who self-published a book called "The Savvy Seller," says sellers can make rooms (and closets) seem more spacious by clearing the floor of boots, magazines, gym bags and backpacks.

Anne Landesman, who is moving to Austin, Texas, packed up books and artwork before putting her family's Park Ridge, N.J., home on the market recently. She and her husband, Roy, also put a lot of furniture —including three sofas —into storage.

"I think it made a huge difference," Landesman says. "People could get a good idea of the size of the rooms."

Dawn Cox, a Weichert agent in Wayne, N.J., often counsels sellers to go beyond decluttering, by replacing outdated kitchen appliances and bathroom fixtures and installing granite countertops.

Alan and Mary Chris Bassman did a bathroom upgrade rather than a complete renovation by replacing the vanity and toilet and repairing a cracked shower door.

In all, the family spent about \$5,000 to spruce up the home, following the advice of Ferraro, the decorator, who works with the Bassmans' agent, Kathleen Falco of Re/Max of Franklin Lakes.

"We sold the house in a couple of days, which I was shocked at," Alan Bassman says.

Not all sellers have the energy to spruce up. In those cases, agents sometimes pitch in themselves to help declutter and stage the home and hire painters, cleaning crews and handymen. Homeowner Jennifer Glusman was pleasantly surprised when agents Lois Fein and John Schwartz of Prominent Properties Sotheby's International Realty helped her prepare her family's Edgewater condo for sale.

"John came in and helped stage items on our bookshelf and in the kids' room and our room," Glusman says. "He also lent us one of his own paintings."

If sellers can't or won't prepare their homes for market, agents say, they have to lower their expectations on price.

This, in turn, can offer an opportunity for buyers who are willing to give up the search for HGTV-ready homes and look at properties that need "some love," in the words of Tom Mikalouskas, a Re/Max agent in Montvale, N.J.

"I tell my buyers to look for the best bones or the best bang for your buck," he says. "Basically, if you are able to get the worst home in a great neighborhood, you can only improve on your investment. You simply have to focus on potential in a down market like this."

"Buyers who can look beyond the cosmetic issues usually can find treasures in this market," Falco agrees.

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