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HOUSING OUTLOOK | What's It Worth?

That Magic Number

In turbulent times, deciding how much a home is worth becomes even more troublesome. But with hard work, patience and maybe a little luck, both buyers and sellers can find their place in this market.

20 Pros, One Savvy Couple, A Fast Sale

By Allan Lengel
Washington Post Staff Writer
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About 20 smartly dressed real estate agents, most of them women, most driving pricey cars, pull up on a tree-lined street in upper Northwest Washington one recent morning.

Without hesitation, they step inside a brick, English-style Colonial house on Utah Avenue NW, march around, upstairs and down, open and shut closet doors, peek in bathrooms and generally give the place a good once-over as if they own it -- or are about to.

Minutes later, on this intermit-



tently drizzly day, the agents gather in the driveway to discuss a possible sales price and what, if anything, needs to be fixed up.

"It looks so perfect," says one agent, Catarina Banner. "I would go least mid-800s."

"We're not in AU," says Nancy Wilson, the listing agent, a reference to the American University neighborhood, close to a Metro station. "I just want an

honest price."

About 10 minutes of discussion ensues. Afterward, Wilson says: "I'm going to chew on it for an hour or two, and then I'm going to call" the owners. "I know they want it in the 800s."

What transpired that day, and in the days that followed, illustrates the hand-wringing process of pricing homes for sale in this down market, where competition can be fierce and where arriving at the right figure has

become all the more important.

Price a house too high, and it can languish on the market, agents say. List it, then cut the price, and a prospective buyer may sense vulnerability and try to bid it down.

Dennis Melby, a real estate agent with Long & Foster in Bethesda and president of the Greater Capital Area Association of Realtors, said that with so many homes on the market, price “is one way” possible buyers narrow the field. “You don’t want to price yourself out of the market,” he said. “You can price your house too high, but you can’t price it too low. The market usually makes up the difference” with multiple bids.

To arrive at the right price, a throng of agents from Evers & Co. venture out to a few homes every Tuesday to help their colleagues figure out the right price and what, if any, improvements need to be made before the property goes on the market.

The improvements may include fixing a fence or a roof, painting, removing clutter or getting the rabbit cage out of the den.

“When 25 people go through, people are more inclined to think, ‘Maybe they do have some idea -- it’s not just this person picking something off

the top of their head,” said Donna Evers of Evers & Co.

On Utah Avenue, preparations leading up to the mass visit actually began in November when Wilson, the Evers listing agent, met with the owners, Alan Lee and his wife, Christina Cornell. The couple plan to retire in North Carolina.

They talked about a few fix-ups on the three-bedroom 1930 house, which has high ceilings and a hot tub tucked inside a small brick room in the garden.

In the end, the couple spent about \$5,000. They replaced a back door. Painted some areas. Did some minor carpentry in the basement. Fixed the brick walkway out front.

In the meantime, Lee started tracking every home in his 20015 Zip code priced between \$700,000 and \$1 million.

“I like to play with numbers,” said Lee, an accountant.

Wilson also kept up on the “comps” -- sales of comparable homes in the neighborhood. She prides herself on pricing things right.

On that Tuesday, after the agents walk through the house, they stand in the driveway exchanging thoughts.

“The kitchen is gorgeous,”

agent Rachel Burns pipes in.

But with the praise comes criticism. Some note that there is only one bathroom upstairs, and that might turn off prospective buyers.

“It looks so perfect, people will forget about the bathroom,” Bannier retorts. “I think the low eights is too low.”

“It should sell for under \$800,000,” says Susan Berger, who tosses out \$789,000. A few minutes later, she concedes: “I’m willing to accept the criticism. I was low.”

Some mention the hot tub, the charm of it. But they say some would-be buyers might see it as a negative.

Ultimately, it will be up to Wilson and the owners, Lee and Cornell, to set a price.

After the back-and-forth is finished, Lee, who is standing in front of the house, is asked what he thinks of the agents’ brainstorming.

“Do I like it? I think it’s a gut feeling they all have [that] is probably better than any group of computer statistics. And I’m a CPA saying that.”

That Tuesday, there’s a sense of urgency. The house needs to be listed by Thursday. The open

house is Sunday.

“I know they want it in the eights,” Wilson says later. “The end of the story will be what happens this weekend.” Later in the day, Wilson talks with the owners. She says she is open to a range of \$819,000 to \$829,000 but favors \$819,000. The owners say they are thinking they want more than that.



“I told them they need to think about it,” Wilson said. “I didn’t want them in any way, shape or form to feel that they were sorry they hadn’t tried. I have no objection to 825. But anything over 830, I will object, but I certainly will do it. It’s their house.”

She said she fears too high a price will turn away buyers.

“They’re savvy sellers,” Wilson said of the couple. “They’ve been doing a cost analysis. They’ve kept a spreadsheet on everything that’s been sold for three months.”

Lee, seeking more input, talks to his real estate broker in North Carolina. When arriving at a price, he figures that if house hunters punch prices into

their computers, they will do so in \$25,000 increments. If he lists at \$819,000, he fears, some people looking at homes between \$825,000 and \$925,000 will miss his. Then again, he figures \$800,000 is too little and \$850,000 is too much.

Thus, the next day, he and his wife decide on \$825,000.

“Our house is unusual in a very important respect. It’s not the standard three-bedroom Colonial,” he said. “It has a better layout, and it has better extras. New kitchen.”

He and his wife are “probably typical” home sellers, he said. “We think it’s worth more than the real estate agents think it’s

worth.”

In the end, he admits, there’s an element of uncertainty.

“How do you guess who’s going to come on Sunday and how excited they’re going to get about seeing the house?”

* * *

Sunday arrives. The sun is out. The weather is pleasant. By almost any standard, it’s a pretty good day to go house hunting.

About 45 parties wander through the brightly lit house in about 3 1/2 hours.

Most say the price is about right. A few say it’s too high, a few too low.

“It’s about what I would expect for this house,” says Stephanie Kayden, who is considering moving back into the city from Bethesda.

Some love the hot tub in the back. Others are not impressed.

“That sucker would be coming out of there,” Shay Hancock says.

“It was very interesting,” he says of the rest of the house. “It’s cute. It’s not as big as we thought. Two of the bedrooms are decent size. The third one is teeny-tiny. The bathrooms need updating. The kitchen is small.”

Juliette and John Perko say they like the house a lot.

However, Juliette says: “This is a little bit out of our range, but we wanted to check it out. ‘Cause you never know. We’ve seen houses that have been on the market for 200 days and dropped \$200,000.”

David Theis says he has no problem with the size of the house, but the one bathroom upstairs is a major drawback.

“I need two bathrooms upstairs because I have two daughters. I know when they got to be teenagers, I’d wait all my life to get in the bathroom.”

Matthew Guyer gives the house a thumbs-up, but says, “I think

it’s a little bit overpriced.”

By Monday, there are two offers. One, Lee said, was a “low-ball.” The other is just right.

“We are delighted,” he said.

Donna Evers, who visited the house with the other agents, commented later: “Obviously it was priced correctly, because it went under contract immediately with happy sellers.”

Lee said he was particularly happy that the buyers, a couple living in a condominium, fell in love with the place, just as he and his wife had done almost 22 years ago.

“It was more for somebody special who really loved the way the house was,” he said. “Of all of the people, they absolutely said repeatedly they love the house.”

Lee said he and his wife were married in the back yard a couple of months after they moved in. He said the new buyers mentioned tying the knot in the back yard as well.

Given that the house sold so quickly, did Lee have any second thoughts about the price? Should it have been higher?

“That’s a very good question,” he said. “I think that we did what we wanted to do. It was the right price to advertise it at.”

He said: “We’re very, very happy we don’t have to prolong the open house and selling time. Having priced it right, being done with it is a great relief, and now we can focus instead on our golf and tennis.”
