

# Selling a House in Tough Economic Times - Home Seller Crisis Guide

Times are tough for home sellers right now. In a general sense, I know this just by watching the news. In a more specific way, I know this by talking to a couple of my neighbors who are trying to sell their houses right now.

I can't change the fact that we are in an economic crisis that makes home selling tough. But I can offer some tips on how to sell your house in touch economic times such as these.

## How the Economic Crisis Affects Home Selling

In most areas of the country, people who are trying to sell a house right now will encounter three primary obstacles -- all a result of the current economic crisis we find ourselves in:

1. Home values dropping in most places
2. Record numbers of foreclosure homes available
3. A shortage of buyers due to the credit crunch

The first problem for sellers is that home values have dropped in most markets, and in some places they have dropped significantly. So the first thing you must do is determine what your home is truly worth in the current market -- not what it was worth when you bought it, and not what you think it should be worth. This is more of a problem in some areas than others, but it's still a problem for sellers nationwide.

One of the reasons property values have dropped is the vast number of foreclosed homes currently on the market. As we know, this is the result of the mortgage crisis that cost so many subprime borrowers their homes. So when you try to sell a home in the current economy, you may find that you're competing with foreclosure properties that are priced below market value (even below the depressed market value).

The third reason it's hard to sell a home during this economic crisis -- and probably the biggest challenge of all -- has to do with a shortage of buyers. A lot of people are having trouble getting mortgage loans right now, and for obvious reasons. Lending standards have gone up considerably (credit score criteria, debt-to-income ratios, etc.), and a lot of banks are afraid for their very existence right now. So unless you have nearly perfect credit, you're going to have a hard time getting a mortgage.

This is the problem my neighbor his having up the street. Her house has been on the market for about three weeks now, but she's only had a couple of potential buyers walk through. Other agents have told her listings agent that their clients can't get mortgage loans, so there's no point in bringing them by the home.

## Tips for Selling in Hard Times

Times are certainly tough for sellers right now. And you probably won't sell your house for the amount you would like. If you can stay put and wait out the crisis a while, that's probably the best strategy for now. But if you simply have to sell (for a job transfer, financial reasons, or whatever the case), there are some things you can do to expedite the process.

The following tips will help you sell your house in the tough economic times we find ourselves in:

- I've said it before, but it bears repeating. Proper pricing is critical when selling a home in this kind of market. On top of that, the value of your house has probably changed since you bought it. So you need to find out what comparable homes are selling for you in your area at the current time. If you hire an agent, this is one of the key steps he or she will help you with.
- Staging a Home is also extremely important. Sellers need every edge they can get in this economy, and presentation goes a long way in this regard. In many cases, the difference between a properly staged home and one where the sellers made no effort is the difference between an offer and no offer.
- Because there's a shortage of qualified home buyers right now, you need to do everything you can to market your home effectively. You need to reach the largest possible audience to increase your chances of finding the right buyers. If you have an agent, they will handle much of this for you.

Selling a home during this financial crisis is certainly a challenge. But it's not impossible. You may have to reduce your asking price, and you should definitely spend the time needed to stage and promote your house properly. But it can still be done.

Continue Reading for 6 Reasons to Stage Your Home Before Selling

# 6 Reasons to Stage Your Home Before Selling

Why should I bother staging my home? What do I get back for all the time and effort I put in? This is one of the most common home staging questions among sellers, especially those who are selling in a seller's market.

Here's the bottom line: Staging your home can benefit you regardless of what type of real estate market you are in.

In a buyer's market, you will need every advantage you can get in order to sell your home for a decent sale price, so it's extra important to stage your home effectively. But even in a seller's market staging can help you achieve a quick sale for the maximum sale price.

So no matter what kind of real estate market you are in, it's always wise to stage your home for the market.

Here are some of the primary benefits you will get out of it:

## Home Staging Benefits

- Forces you to organize and de-clutter. Clearing away shelves, closets and cabinets is a big part of the home staging process. It also helps with moving, because you'll have to pack things away at some point anyway. So when you stage your home, you will also get a head start on packing to move.
- Forces you to think like a buyer. When you set out to stage your home for the market, you will be looking at the home as if you were a buyer. Adopting this perspective early on will help you in many ways when preparing your home for the market.
- Increases likelihood of a sale. When selling your home, you must do everything within your power to increase your chances of selling -- and I mean everything. Professional home staging techniques can give you an extra edge in selling the home quickly.
- Reduces the home's time on market. When you put in the extra effort to stage your home effectively, you will move closer to a quick sale. Anyone who has sold a home before can attest to the fact that the least time the home is on the market, the better. This is especially important if you will be paying two mortgages until the home sells (as is the case when you buy a new home before selling the old one).
- Helps justify the asking price. If you are in a seller's market and you price your home correctly, you probably won't have to haggle over the asking price. But in a market that leans toward the buyer, you need everything in your favor to justify the asking price. Home staging can help you justify the asking price by positioning the home more favorably in the buyer's mind.
- Staging can be fun! It may sound like all work and no play at first. Granted, you will certainly be putting some elbow grease into the process. But staging a home can be a creative process as well, and many people find they enjoy it once they've begun.

With so many benefits to staging a home, the question isn't why should you stage your home. The question is why wouldn't you?