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# NEI's Real Estate Report

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## **So Close, Yet So Far Away -- On Pricing**

by M. Anthony Carr

If I've heard it once, I've heard a bazillion (which, according to [www.AntiMoon.com](http://www.AntiMoon.com) is an actual English word, but not necessarily a real number) times: "I want to leave in some negotiation room in my price."

Statistical evidence shows that those who "leave in some negotiation room," never have to worry about negotiating their price because they never have to face the grueling exercise of lowering their price ~ because they never sell.

In the real estate world, we have a classification for those type listings: expireds and withdrawns. Pretty much it means they don't sell because they never hit where the buyers are biting.

The sellers who move on down the line with pricing and incentives become "former" owners and move on with their lives. Case in point:

A buyer recently told me her builder representative said the company had a weekend sales bonanza simply to move as much inventory as possible. I checked into it and sure enough, they wanted to sell 1,000 sales over a three-day period. Their prices dropped across the board (already down \$36,000 from their base price) and the builder had authorized ANOTHER \$10,000 for settlement costs per transaction.

Instead of 1,000 sales, the buyers came in and chewed away 2,100 properties that had been sitting for months nationwide. This particular buyer had walked away from one of their speculation houses three weeks earlier. By waiting, she picked up an additional \$22,000 in savings.

Negotiation room? I think not. By biting the bullet, bringing the prices where the fish were biting, they made their money back through doubling their unit sales. It surpassed their goals and surprised everyone on the grassroots level.

So when a seller tells me s/he wants to leave enough room in the asking price for negotiation room, I tell them to take another gander at the statistics. The rationale goes something like this:

if home sales are consummating at 3 percent below asking price, then I need to be up 3 percent to get the price I really want. Think about it ~ if I can price it so that several buyers want it, then I don't have to give up my price. (Review last week's column.)

If you price right, actually you don't have to come down at all. Many of the houses in our market area are selling for the asking price. In addition, about 40 percent are selling without the seller providing any closing costs as well. These are the houses belonging to sellers who dared to meet the buyers in the market instead of hoping the buyers would come up out of the market to make an offer.

Forget nudge room, fudge factor, and space for negotiation. Place the house on the market at a bold price ~ then hold the line. Then, if the buyer wants closing costs ~ negotiate upward.

There's always a good market in any market ~ it's where the sellers focus on price and condition, rather than their personal bottom line.



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## **When Selling Your Home, Using Scents Makes Sense!**

by Phoebe Chongchua

Even though now doesn't seem to be the ideal time to sell your home, you can take heart in knowing that small actions may make a difference in getting your home sold.

"Scentmosphere" isn't exactly new but it is rapidly becoming a way to attempt to attract buyers.

"When [buyers] walk into a house before they actually see anything in that house, because they breathe, they are smelling. So they are actually getting an impression, whether it's conscious or subconscious, of your home ~ just by the way it smells," says Rick Ruffolo, senior vice president of brand, marketing, and innovation for Yankee Candle Company.

So, right now take a deep breath. What kind of "smellment" is your home making?

Choosing to proactively make a statement in the way your home smells is just another step in helping to sell your home faster. It's the next step after curb appeal. Ruffolo says curb appeal gets buyers in the door but then they see and smell your home and begin to decide if this is the home for them.

"If it's a vacant home it can be musty. But if it's an active home it also could have [odors of] whatever activities that are going on in that house," says Ruffolo.

Are buyers going to smell the over-sized dog that traipses around the house after rolling in the newly-cut grass? Are they going to smell your son's gym bag filled with dirty socks that has been buried deep in his closet for the last five weeks? While we certainly don't all have the same preferences for scents, most would agree neither of those two things pose a welcoming aroma.

"It's not rocket science, but it is candle science," says Ruffolo.

He suggests candle fragrances such as the smell of freshly-baked cookies. "Not everybody likes to eat cookies but everybody enjoys the smell of cookies, and when I say everybody, there may be the exception here or there, but the vast majority would enjoy the baking smell. So we're always fond of fragrances that are in the vanilla family," says Ruffolo.

Fragrances such as French vanilla, butter cream, and crème brûlée that mimic baking scents are welcoming and inviting for buyers. Scents register in our brain and frequently remind us of our past experiences. Creating pleasant aromas

in your newly-listed house can help the buyer to experience an emotional connection with the home.

Ruffolo says when it comes to bathrooms, great rooms, or even basements it's a good idea to try different fragrances.

"You may want to think of what we refer to as clean or fresh fragrances and those could be based in various fruits, so the citrus family is a really good one," says Ruffolo.

He says, however, there are some fragrances that you should avoid as they don't tend to appeal to the masses or they have too strong an odor.

Ruffolo instead encourages sellers to use fragrances that will instantly be winners such as vanilla, kitchen spice fragrances, citrus, and the smell of freshly cleaned laundry.

"Scent impacts the atmosphere," says Ruffolo. He says that candles are the best way to get the fragrant aroma in the air, but if you don't have time to let them burn before showing your home there are other methods that work to get the right "scentmosphere."

The company has electrical plug-in products that have oil them so they provide continuous fragrance. "If you're away from the house for a period of time, you don't have to worry about the candle being lit," says Ruffolo.

Reed diffusers are both decorative and powerful for giving off fragrance. The diffusers contain oil and the reeds help to draw the oil up and out into the room. "They don't fill a large room but they fill a nice small space very well," says Ruffolo.

But if you give every room a fragrance, is there a point of over-saturation? Ruffolo says that's not likely to happen.

"It's not like the person who put on too much perfume. A home is a very large place and it absorbs a lot of the fragrance so it would be pretty hard to overpower a house with too much fragrance," explains Ruffolo.

Ruffolo says with all the tips out there about selling a home, the scent factor is often the most forgotten.

"If you don't have a scent that you want in there, buyers are going to smell whatever is going on in that room. So if it's been closed up or doesn't have a lot of air flow [there will] be more of a musty, damp, or a less desirable scent," explains Ruffolo.

It just makes sense that if you want to create an appealing environment for buyers, pleasing scents should be part of the selling plan.



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