

The home is hot if ...

As the spring season immerses the Nashville community in warmth and water, a myriad of colors emerge from the ground. The daffodils dance upon the green grass, and the bright tones of "for sale" signs of various real estate firms permeate the landscape.

Even though real estate inventories have reached and maintained record highs, interest rates have fallen to their lowest rate since 1961 — 4.93 percent for a 15-year mortgage.

In 1961, Keith Richards was wrinkle-free, Beverly Briley was mayor of Nashville and the major league record for home runs in a single season, held by Babe Ruth, was 60. Bonanza was the only television show broadcast in "living color" and John F. Kennedy was in Camelot. At that time, the last assassin with three names was John Wilkes Booth.

When the temperature rises, home sales follow suit. Rested buyers awake from hibernation and others migrate into the warm climes. These buyers are full of energy and hungry for homes.

Armed with extra hours of daylight and fueled by the enthusiasm of a new crop of buyers, Realtors charge into neighborhoods armed with contracts and pens with their cell phones, computers and supra keypads ablazin'!

In the spring market, the asking price for properties often becomes the selling price. At times, the list price is merely the basis upon which offers are tendered. Lowball offers provide fodder for real estate sales meetings.

"You know my \$300,000 listing on Penny Lane? I received 10 offers and sold it for \$25,000 over asking price. Joe Lowe offered \$250,000 and could not believe we wouldn't counter," Renee Realtor relates.

"Ha ha ha" the guffaws engulf the room.

"The first day on the market," she adds with a chortle.

"A ha ha ha. Hee hee." The crowd delights.

COMMENTARY



Richard Courtney

"And he had a sales contingency," she delivers with the timing of Billy Crystal.

Most of the crown doubles over in laughter while the elderly agents reach for their hearts. Even Billy Crystal would never have received such a response.

During a market transition — i.e., from a buyer's market to a seller's environment, or from a cold market to a hot market — helpful information and guidance from professionals are more important than ever.

For example, most buyers rely on recent, comparable sales as a basis for property value. Strangely enough, recent comps are not the best as the spring market blooms. A 2,500-square-foot, three-bedroom, two-bathroom house that sold in January when days were dark and trees were clothed only in bark is not a comparable sale for a similar house in the same area in April.

Rather, the buyer should review sales in January of 2002 versus sales in April and May of 2002 and assume that the same trends will prevail in 2003. Using winter comps in a spring market has cost many a buyer many a home. They leave the field of battle bewildered, beleaguered and often belittled. They are not able to comprehend how five different people outbid them. It is a rite of spring in Nashville. Be prepared for the hot home.

The home might be hot if:

It has been on the market for one day and the listing agent has scheduled appointments in 30-minute intervals for 10 houses during that first day.

The first showing is a Sunday Open House and there are more than 20 people in the home at any one time. By the way, don't fall for the "Don't you think this one is overpriced?" line. More than likely, it was offered from a potential buyer attempting to rid the field of competition. Such smooth talkers also enjoy pointing out the deficiencies of the home to various lookers-on.

There are business cards from several recognizable Realtors on the kitchen counter or dining room table. The best Realtors have the best clients and sell the best houses.

The showing agent received 10 phone calls from other agents in his office asking the condition of the property and the level of interest of his client.

While viewing the property, several cars stop on the street to record the address and the listing firm's phone number.

The décor is comfortable, there are no pet smells or other odors, the conditions seem impeccable the property is accessible, the listing agent was not present thereby allowing the potential buyer and his agent to freely discuss finance, property value and any other confidential matters.

If any of these characteristics apply, the home will sell that day — for asking price or above with only inspection and finance contingencies. Happy shopping. CP

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