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Which foot forward: Best or worst?

By Curtis Seltzer

At the recent Land Summit, a broker asked me what seemed like a simple question at first hearing: "Should the seller/seller's broker show a buyer the best feature of the property first and work backward, or the worst feature first and work forward?"

We've all heard about "putting your best foot forward" in such circumstances. But I had doubts.

In times like these, buyers are dear for many types of real estate. Buyers know that financing is a chore, and a 20 to 50 percent down payment may be required, depending on the financial profile of the buyer and the size and characteristics of the land.

All buyers -- even inexperienced first-timers -- are aware of how dicey real-estate purchases can become when too high a price is paid, or the borrower gets upside-down in a mortgage, or some hidden and unknown dog in a deal bites them after closing. As a result, buyers today are more picky, more suspicious and less likely to make impulsive and emotional decisions on property purchases than in the past.

For those reasons, I think a seller's best path in a down, shaky real-estate market like ours might be to approach buyers in full-disclosure mode and show any negatives first. Both disclosure and negatives-first build trust and credibility with skittish buyers.

I realize that many sellers and brokers will disagree with my position. I'm certainly willing to concede that many on the selling side that I've worked with as a buyer over 40 years generally disclosed only as much as they thought necessary—and were successful in selling property. In good times, "limited-hang-out" disclosure to buyers has certainly produced sales (along with some ticked-off buyers and the occasional law suit).

Times have changed; buyers have changed. That's the way it looks to me.

Still, sellers have to read buyers just as buyers need to read sellers. If your seller instinct says that too much truth too fast will run a buyer off, then work into it more slowly. No rule fits every situation.

This brings up the subject of staging. I have no doubt that staging residential property works on buyers. Nor do I doubt that in most cases it will prove cost-effective for a seller to go this route. But a sales strategy that depends on manipulating the senses and emotions of buyers by creating an artificial environment that disappears at closing is antithetical, or, at least, inconsistent with disclosure and negatives-first as a sales strategy.

It's easy enough to perk up rural property by grading roads, painting buildings, removing trash, mowing, fixing fences and gates and so on. Rural property also shows better on pleasant days. I don't consider any of these activities, "staging" to stimulate an emotional response in the buyer.

I've given a little thought over the years to how timberland, farms and undeveloped land might be staged to create a pro-purchase atmosphere. The seller of a farm, I suppose, could rent new John Deere equipment for display in the barnyard. And every buyer would respond positively to a personable horse or a pet steer that likes to be scratched. But generally speaking, I think land doesn't lend itself to being professionally staged, and certainly not to the same degree as the typical suburban residence.

As a buyer, I want to see warts first when I'm visiting property. If you show me the good stuff first, I find that I discount the positives when the warts start popping up at the end of the visit. I leave with doubts, about both the property and the seller. When warts come last, I find that I start looking harder for deal-breakers that the seller hasn't disclosed, defects in the property or title, uncertainties, encroachments and unresolved issues with neighbors.

With warts first, I balance up the net impression at the end of a visit; with warts last, I find I

balance down. I leave with a better overall impression when I balance up, that is, when I get the bad stuff first and the good stuff last. But maybe that's just me.

I don't like to change my ways anymore than anyone else. But I'm always open to change an opinion in the face of evidence. I've presided over arbitration cases for more than 25 years, and the rule that I follow is: Go where the facts and the contract language take you. If disclosure and negatives-first produce sales at better-than-expected prices, an out-dated opinion deserves to be changed.

With that in mind, sellers and their agents might test a disclosure/negatives-first approach with buyers and see what the results are. It will be hard to isolate those two variables from everything else going on with a property sale, but you may come away with a different idea about how to sell rural property in today's market.

A buyer, of course, may back away from a warts-and-all approach to the property he's considering. But if the negatives are really that bad, I don't think a seller wants to keep them under a bushel basket unless he likes to fight in court and doesn't care about his good name.

Next time, consider disclosure and showing negatives first. It's worth at least one shot.

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