

# What Should You Fix or Improve Before Putting Your Home on the Market?

One of the most common questions we are asked during our first meetings with prospective sellers is, "What should I fix or improve before I put my home on the market?" I've written about this topic before, but the subject is worth revisiting, given the current market.

My advice has always been that you should only fix the "eyesores" and not make many of the repairs or improvements that you might make in a more balanced market.

So, what's an eyesore? Simply put, an eyesore is something that draws negative attention from a buyer. But some eyesores are more important than others — specifically ones which help form a buyer's first impression of your home.

In other words, your front yard, the front façade, your porch, front door and the first few rooms a buyer sees are more important than the condition of inner rooms or the basement. By the time buyers are deep inside your house, they either love it or they don't, and if they love it, they'll be more forgiving about a

**REAL ESTATE TODAY**



By **JIM SMITH, Realtor®**

stain on the carpet or a loose railing that they see later in their visit. So definitely work on cleaning up your front yard, staining or repairing your front porch and front door (if it needs it), and address any eyesores inside the front door. If the paint on your siding or trim visible from the street is aged, dirty, or peeling, you'll want to take care of that, too.

Further inside the house, fixing eyesores is still important, just not as important.

New wall-to-wall carpeting is more affordable than refinishing hardwood flooring, but a wood floor that is in *dire need* of refinishing is definitely an eyesore. If a hardwood floor *could use refinishing*, but isn't in dire need of it, I don't recommend it. Restaining a wood deck is an affordable task that eliminates the eyesore of a deck which sorely needs it.

Should you replace a Formica kitchen counter with slab granite, quartz or Corian? Not if the Formica is in good shape and is not hot pink. If it has peeling edges or burn scars, yes, replace it.

## How High Are Bidding Wars Pushing Up Home Prices?

*This is a reprise of my article on April 22nd*, when I took a snapshot of closed listings on **Friday, April 16th**. This week I did the same analysis, and the day I chose was last **Thursday, May 13th**, to see how the bidding wars have evolved in just the last four weeks. The source both times was REcolorado.com, Denver's MLS.

As I did in April, I limited my analysis to sales within a 15-mile radius of downtown Denver. That takes in an area from Broomfield to Highlands Ranch and from Golden to Aurora. It does not include the City of Boulder.

I limited my search to homes, condos and townhouses that were on the MLS at least one day and not more than 6 days before going under contract. Those are the homes with bidding wars. I divided the results into homes which sold up to \$500,000 and those that sold for more.

On **May 13th** there were 44 closings up to \$500,000. The median home sold for **8.4%** over its asking price. On **April 16th**, there were 48 closings, but the median home sold for "only" **4.7%** over its asking price. **The highest ratio this time was 15.7% for a home in southwest Denver that sold in 4 days.**

There were 56 homes that closed on **May 13th** for **more than \$500,000**. The median home in that

group sold for **8.1%** over its listing price. On **April 16th** there were 68 such closings, and the median home sold for **8.3%** over asking price, so little change there, **but the highest overbid in this group on May 13th was 29.4% over listing for an \$850,000 home in Littleton's Sundown Ridge, which sold in 2 days for \$1.1 million.** On April 16th, the highest overbid was "only" **18.8%** over asking price for a home in Westminster. On May 13th, there were **four** homes with an overbid higher than that.

To have a statistically significant number of closings over \$1 million, I analyzed the closings over a longer period — May 1-15. The median closing for those high-end homes was **6%** over listing price. **The highest was for a 1991 home in Denver's Hyde Park at Polo Club subdivision, which was listed at \$1,575,000 and sold in 6 days for \$2,225,000, 41.3% over listing price.** In the first half of April, there were only 68 closings over \$1 million, and the highest overbid was **24.9%** over listing price. This time there were **six** closings with an overbid higher than that.

In my April analysis I predicted that the overbids would get even more intense, and that has proven to be the case. I'll keep up this analysis in coming months. Stay tuned.

One of the smartest things you should do before putting your home on the market is to wash the windows inside and out. Since that requires removing window screens, I recommend washing and labeling your window screens and putting them in your garage or store room. The window screens can be reinstalled after you're under contract and prior to inspection, because missing screens will definitely be an inspection issue.

When you invite one of us to see your home, you'll want to know what fixes or improvements we suggest, and we will usually come down on the side of not making any repairs or improvements which aren't necessary to get your home under contract.

The reason you don't want to make unnecessary repairs or improvements — for example, replacing a 20-year-old furnace that works fine, or mitigating radon if a home test reveals it is needed — is that you need to retain those as bargaining chips.

Let's say, for example, that your buyer's inspection objection lists a dozen items *including* replacing the furnace and mitigating radon. You could agree to doing those two repairs but not the other ten items, and that would probably satisfy the buyer. If you've already replaced your furnace and mitigated radon, you don't have those as bargaining chips and

would have to address those other items.

Interior painting is another common issue. Let's say your son painted his bedroom ceiling black, or your daughter has a cute mural with giraffes and trees covering one or two walls in her bedroom. Should you repaint those rooms? Maybe the black ceiling, but leave the mural — assuming it's well done, of course!

These are merely general guidelines, and every house is different. My broker associates (below) and I are happy, of course, to meet with you in your home to discuss what to fix or not fix.

The best thing you can do before putting your home on the market is neither a fix nor an improvement. It's decluttering. We all have too much stuff, don't we? Some of it should be taken to Goodwill or the Salvation Army (using our free truck, of course!). Other items should be put in storage, and we can usually get our clients the first month free at a local mini-storage facility.

Once we've agreed on what to do, you may be concerned about how to pay for it. Our clients have access to our handyman at the client-only rate of \$25/hour. For bigger repairs, we can help you with obtaining financing that could be paid off from your proceeds at closing. Ask one of our broker associates or me for details.

## Cedaredge Home Just Listed by Kim Taylor

Come see this beautifully remodeled 3-bedroom, 2-bath, 1,960-square-foot home at **280 SE Frontier Ave.** in Cedaredge, a wonderful and secluded town on Colorado's western slope. The home is situated on a cul-de-sac with an oversized 2-car garage and deck/backyard overlooking Surface Creek. This tranquil setting is within walking distance to shopping and downtown Cedaredge. The fully fenced yard is drought resistant with drip irrigation to the shrubs and trees. The north side of the yard has room for gardening and RV parking. Every room in this home has been remodeled or updated. A new AC/heating mini-split system was installed on the main floor, as well as new floors and paint, solar shades, pellet stove, ceiling fans, kitchen cabinets, countertops and appliances. The walk-out basement now has a 3rd bedroom and a 4<sup>th</sup> non-conforming bedroom as well as an updated bathroom and a large laundry/utility room. For more info, call Kim at 303-304-6678, or visit [www.CedaredgeHome.info](http://www.CedaredgeHome.info) and come to an **Open House on Saturday, May 22nd, 10am to noon.**



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