

What Should and Shouldn't You Fix When Preparing to Sell Your Home?

When I'm interviewed by prospective clients about listing and selling their home, one of the most common questions they ask me is whether they should make a certain improvement or repair or replace a particular fixture or appliance.

This week I'd like to share with you my response to such questions.

Periodically, the National Association of Realtors does a "cost vs. value" analysis which determines the return on investment ("ROI") for different renovations or improvements that a homeowner might make. Consistently, the ROI is under 100%.

If you're not going to increase what you get for your home by at least what you spend on an improvement, why do it?

Homeowners will often make expensive improvements when they want to sell their home. My advice is to make only those improvements that you would enjoy yourself, and make them sooner, rather than later so you have an opportunity to enjoy them. Of course, you'll want to make these improvements with an eye toward whether a future buyer might like them, but make them to enjoy yourself since, when the

time comes to sell, almost no improvement you have made will return more dollars than you spent on it.

My advice to homeowners who have reached the

point of selling is to concentrate on eliminating negatives instead of making improvements. Look for the things in your house which are bound to create a negative impression on a buyer. I call them "eyesores."

For example, replace worn carpet, especially older shag carpets. If the carpet is okay but rippled, have the carpet stretched. Refinish hardwood floors that show obvious wear. Repair and repaint damaged walls.

Replace your kitchen counters only if they would draw a negative comment in a visitor's eye, but not just because they aren't updated. Formica countertops of a neutral color that are in good condition may be outdated, but they rarely diminish a buyer's interest in your home.

Does your bathroom have those 1970's (or earlier) fixtures with matching pastel colors? Replacing them will probably not give you a return on your investment.

Of course, these are generalizations, and you really should have a set of "fresh eyes" to give you advice on your floors, walls, kitchen and bathrooms. We have 10 broker associates at Golden Real Estate and often I will bring one of them with me on the first meeting with a prospective client. Two of my broker associates are staging consultants and one even has a degree in interior design, so they can provide valuable insight.

What if one of the issues is something that is not

obvious but will become an inspection issue, such as an extremely old furnace or aluminum wiring that hasn't been mitigated?

These hidden defects need to be disclosed but it's not typically necessary to address them in advance. Instead, save them for possible use as negotiating points when responding to inspection demands.

Let's say that your buyer submits an inspection objection asking you to replace the 20-year-old furnace (which is working okay but beyond its useful lifespan) and to "pig-tail" your aluminum wiring. If you haven't mitigated the aluminum wiring before listing, you can respond to the buyer's demands by saying, "I'll fix the aluminum wiring, but I won't replace the furnace," and the buyer will probably be happy. But if you had mitigated the aluminum wiring before listing, you can't play that card and may have to replace your furnace to keep the buyer from terminating.

Keep in mind that an old furnace and aluminum wiring are not visible to buyers the way a worn hardwood floor or rippled carpet are, and replacing the furnace or mitigating the aluminum wiring before listing will not bring you more offers, and not doing so won't reduce the number of offers you receive.

Sellers also ask me if they should buy a transferable home warranty before listing because of their older appliances. Again, I urge sellers to save that move as an effective response to an inspection objection requesting replacement of those appliances.

If you're wondering what **you** should or shouldn't do before selling, invite us to meet with you in your home.

REAL ESTATE TODAY



By JIM SMITH, Realtor®

Find Consumer-Oriented Real Estate Videos on Our Website

One of the many resources you'll find at www.GoldenRealEstate.com are several professional videos created to educate buyers and sellers about real estate. Find them under the "Buyers" tab on our site.

The titles of the videos are:

- Selecting Your Real Estate Agent
- Pricing Your Home to Sell
- Preparing Your Home to Sell
- 8 Steps to Buying a Home
- Financing Options

These videos are provided under license from noted real estate trainer David Knox. Let me know if you find them useful.

It's Not Rocket Science...

I think we all know the following, without being overly educated in meteorology or other sciences.

As water gets warmer, it evaporates more readily.

Warmer ocean water both fuels a hurricane and puts more water vapor into its clouds which is then released as rain. A hurricane is essentially nature's biggest mechanism for desalinating ocean water.

Question: Knowing this to be true, do you think maybe we should be concerned about slight increases in average global temperatures? Would it be smart to see what we could possibly do both individually and collectively to reduce our contribution to the rise in global temperature? I do.

Price Reduced on Arvada Townhome Near Future Light Rail

Tired of shoveling snow and mowing the lawn? This large townhome at **12039 W. 52nd Pl.** is located on a quiet cul-de-sac just two blocks from the soon-to-open Ward Road light rail station and halfway between downtown Golden and Olde Town Arvada. The 2,802-square-foot 2-story layout with finished basement includes 3 bedrooms, 3 baths, and a 2-car garage. The entire top floor is a master suite which includes a fireplace, 5-piece master bath, and walk-in closet. The main floor consists of a large open-concept kitchen, living room with gas fireplace, dining area with a huge bay window, guest bedroom, laundry room and private outdoor patio. The basement features a family room, full bath, bedroom and storage area. Major updates include a new furnace, water heater, refrigerator, dishwasher and microwave. The HOA dues are \$300 per month. Check out the narrated video tour at the website above, then call listing agent **Chuck Brown** at **303-885-7855** for a private showing. **Open Saturday, Sept. 16th, 11 am to 1 pm.**



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Jeffco's Seller's Market Shows Continued Strength — How Long Will It Last?

By JIM SMITH, Realtor®

These charts show the continued strength of Jefferson County's residential real estate market. The number of sold listings keeps rising despite a decline in active listings. The median sold price has doubled in just 5 years from about \$200,000 to \$400,000, and the average home now sells for 100% of its listing price.

The decline in active listings is not due to a lack of new listings. The problem — if you want to call it that — is that new listings go under contract so quickly. Median days on market for Jefferson County has been under 10 most of this year. As I'm writing this on Monday, there are 1,228 active Jeffco listings, but another 1,299 listings are under contract.

Call me for statistics on [your](#) section of Jeffco.



Jim Smith
Broker/Owner

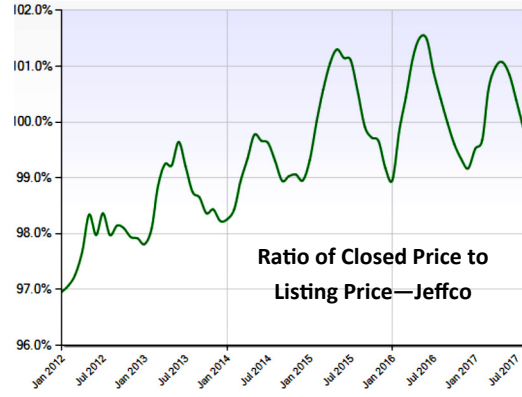
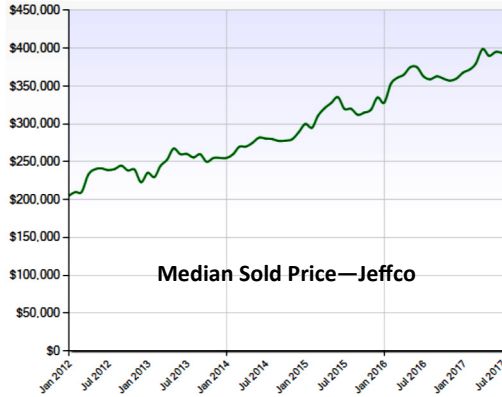
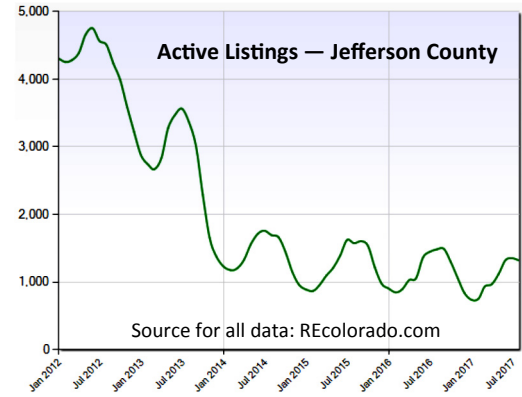
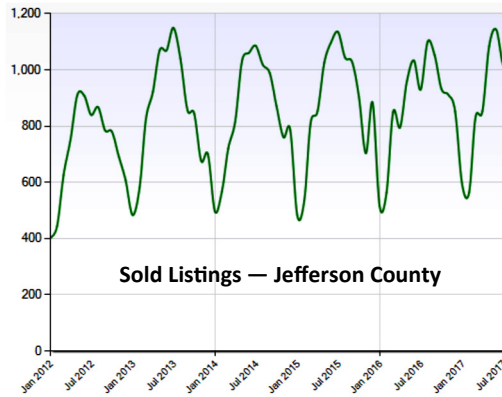
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Denver's Seller's Market Shows Continued Strength — How Long Will It Last?

By JIM SMITH, Realtor®

The charts at right show the continued strength of Denver's residential real estate market. The number of sold listings keeps rising despite a decline in active listings. The median sold price has doubled in just five years from about \$200,000 to \$400,000, and the average home now sells for 100% of its listing price.

The decline in active listings is not due to a lack of new listings. The problem — if you want to call it that — is that new listings go under contract so quickly. Median days on market for the City & County of Denver has been under 10 most of this year. As I'm writing this on Monday, there are 1,837 active Denver listings, but another 1,605 listings are under contract.

Call me for statistics on [your](#) section of Denver.



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