

An honest, open conversation with your Realtor goes a long way

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Q: Is it fair to ask my Realtor if my house has a “reasonable” chance of selling at or near listing price? The reason I’m asking is if she says a sale at or above the minimum amount I need for my next purchase looks reasonable then I’ll go ahead now and purchase the lot for my next home.

I understand there are no guarantees, but I don’t want to lose my lot, so I’m trying to hedge my bet here. Thoughts?

A: Let’s start at the top: You should feel free to ask your Realtor any question you want about your home, and about the home-selling process. We wonder why you wouldn’t automatically assume you have that right, and we wonder what else you’re not asking the person you’ve hired to sell your home.

Next, the issue of the whether your house should sell at or near your listing price is an excellent topic for discussion because it focuses on the most important decision you’ll make in the process: the list price.

How did you decide on the list price for the property? Did you survey several Realtors in the area and ask each to prepare a comparative marketing analysis (CMA)? If you just got a price from the Realtor you hired, do you know if she chose a “sky high” price so that she would land the listing or if she gave you a reasonable and realistic list price based on actual neighborhood comps?

Another issue is price



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range. Homes that are in the first-time buyer range for your neighborhood that are in great shape and are priced well should sell quickly. Heck, you might even have a bidding war.

Even a more expensive

home that’s priced well given the neighborhood comps, and is in excellent condition, should sell relatively quickly. However, homes priced at the higher end for a neighborhood could take much longer to sell.

The good news is in many areas of the country, there simply aren’t enough homes on the market to satisfy all of the buyers who want to purchase them. So, homes that are reasonably priced and are in

great shape (and don’t have any lingering issues) should sell.

The final issue for you to think about is what happens if, for some reason, the housing market in your neighborhood turns after you buy your lot. How much of a financial runway do you actually have? What kind of financial hardship would you be setting yourself up for?

We’d hate for you to pay cash for the lot (it’s difficult to finance vacant lots) and then not be able to sell your home for a year, only to have to substantially reduce the price). That’s the kind of financial setback you might not recover from for a long time.

But if you have the wherewithal to make that kind of purchase, even if you have to eat a moderate price reduction, and you absolutely are sure this is the lot you want, then go ahead. Because taking a moderate risk might be worth it.

You and your Realtor have a lot to talk about. So, have a deep, open conversation about what’s selling in your neighborhood today, and then figure out whether you’ll be able to sleep at night if you buy the lot before your home sells.

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