

Realty agents not always showing the listing love

Ann Brenoff



Joe Raedle, Getty Images

It used to be that unconditional love came from two certain sources: the dog at your feet and the real estate agent who wanted your listing. Both lavished you with affection, hung on your every command and growled menacingly whenever a rival came close to you, precious you.

Today, be grateful you still have the dog.

Real estate agents are actively turning away potential home sellers, particularly those who aren't what they deem "realistic" about pricing. As most things in life, it comes

down to the money.

When an agent takes a listing, it means a certain amount of upfront spending on the agent's part. They need to market the house, get photos shot, take out ads, build a Web site for the property, pay for a lock box and sign, put it in the MLS, maybe host an open house or brokers' caravan -- all of which costs money out of pocket with no guarantee that it will be earned back. Agents work on sales commissions, and if the house doesn't sell, that money is gone, gone, gone.

"All I do is decline listings," said Jill Heineck, principal of **Heineck & Company**, a Keller Williams agency in Atlanta. "In fact, 65% of the listing appointments I went on in 2009, I declined."

If an agent believes the house won't sell for what the owner thinks it will, there is no sense in wasting money, said Heineck. If a home owner is open to being "educated" on the market's realities, it's a different scenario.

"On average, it costs me about \$2,000 to prep a property -- double or triple that for high-end properties," she said. "That's out-of-pocket. If I do not have a buy-in from the home owner to price and stage it properly from the get-go, I might as well give them a check for \$2,000 and call it even."

And there are reasons beyond unrealistic home owner expectations to decline a listing, she said.

"Nearly half of all the home owners I came into contact with last year could not afford to sell," she said, "They were over-leveraged, under-funded and in no position to take advantage of the market."

Plus, when a seller has lost their job, they often defer maintenance on the house because of the expense. Things don't get repaired.

"Aside from being priced correctly, the condition is what will ultimately sell a property," Heineck said. "If you cannot afford to get the property into salable condition, then you cannot afford to sell."

Turning down listings is also occurring in the commercial real estate market. Ben Rosenfield is a principal of the Chicago-based **Titan Commercial** real estate agency. He says that three years ago, every listing his office took was sold or leased within four months -- tops.

"Now, I turn down listing requests all the time. I am training agents on how to say "no." I have to or I would end up not generating any revenue while my agents spent all their time on overpriced listings and allocating my advertising dollars to deals that never close."

Fightin' words -- and ones being echoed around the country.

In the sand hills of North Carolina, Bill Sahadi, broker-owner of **Fore Properties Realty**, hosts a weekly radio show, All Things Real Estate, where this is a frequent topic. He says his personal philosophy is not to list a property "that doesn't give us a better than 50% chance to procure an offer within 90 days." Listings, he says, have to be "priced compellingly against the market competition and below market value."