



Alaska REAL ESTATE

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PACKAGING SELLS

It's now 30 years since I was privileged to represent Baskin-Robbins in initiating an operation in Australia. This was the first country where Baskin-Robbins not only built ice cream franchises but also launched the product directly into grocery stores.

You may be surprised to learn that the packaging cost of the ice cream was greater than the cost of the ice cream itself. This is not uncommon with many products on your grocery shelf. The presentation is more important than the product. Unfortunately, the consumer (buyer) pays for this.

We promoted Baskin-Robbins as "Super Premium Ice Cream", and the product needed to make that statement on the shelf of the grocery store. We chose a round gold tub for the ice cream and then boxed it very attractively.

Packaging sells, and the same applies to your home, especially in a challenging market place. When buyers come to see your home, they will compare it to others. Two identical homes, equally priced, with similar facilities and in similar neighborhoods - one will sell and the other will not. It all depends on the packaging.

Packaging includes market presentation by your Realtor, staging of the property, and the visual image of the house components. Whether your real estate is super premium or not, these other factors determine success or failure in the marketplace.

Market presentation: There is a wide variety of marketing material used by Realtors. Everything from tacky headlines and poor spelling, or low quality photography, can make the wrong statement about the product.

Internet marketing, an absolute must these days, can include virtual tours, slideshows and a host of interactive facilities to impress shoppers. Expect the best, within a reasonable budget, from your real estate licensee.

Staging: The arrangement of your furniture and accessories should be designed to show off the home, and leave enough room for a buyer's imagination to see their own furnishings placed.

Over half the homes for sale today are way too cluttered and dirty. Clean up your act or you will be cleaned out by the competition. Listen to the advice of your licensee and start packing up excess items. After all, you do expect to sell and move, don't you?

Lower priced homes do not warrant "professional" staging but perhaps a consultation with a professional stager may be worth an hour or so. There are several professional stagers available for higher priced properties where the \$3,000 to \$5,000 fee charged definitely pays. Your Realtor can advise you more specifically.

House Components: America boasts an ageing population at this time and the same is true of physical structures. Old homes have charm and established yards, but the components must show well or you will lose the selling contest.

Carpet (or Laminate) and Paint are fundamental to selling the property. Spend the money, please, and it will not only speed up your marketing time, but I guarantee that your net bottom line proceeds will increase. In other words, you will gain more in sales price than the cost of these basic upgrades. Selling "as-is" sounds cool but it will cost you thousands of dollars. Beg or borrow if necessary to dress up these components if they are looking tired, or if they are downright funky.

Remodeling: This is a more

complex issue. If your kitchens and bathrooms have not been updated for 15 years or more you will have trouble selling the home. However, in the price range under \$400,000 you will not reap a financial benefit in sales price from spending the money on gutting your kitchen or refurbishing the bathroom. You are probably better to just reduce your asking price.

A property not updated will take forever to sell unless it is bargain priced. If you have a home in the range above \$400,000, don't expect it to sell at all without upgraded counter tops, fixtures and appliances. People purchasing upper end homes do not buy fixer-uppers.

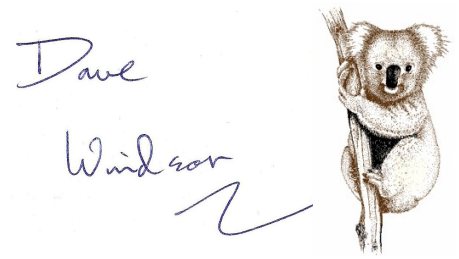
Unfortunately, a large amount of \$400k plus homes, especially on Hillside, fall exactly into this category.

So, if your home looks tired, you must either update it or take the hit. Real estate licensees are often in a difficult place here when they "comp" your property at, say \$375,000, but know it won't sell above \$325,000 because of the age of its components. Homeowners often have difficulty accepting this fact when doing their own research. Please listen patiently to your real estate professional - - that is, if you actually want to sell your home.

Yard: Homebuyers think about how they will feel arriving home from work, shopping or school. How does it look driving home to your property? You cannot control your neighbors but you could put in a few hours of your own time cleaning up front and rear yards. Homes should look their absolute best. How is your packaging?

I am pleased to report that the launch of Baskin-Robbins in

Australia was a success. The sterile blue and white of Norgen-Vaaz was surpassed by the warm and fuzzy pink and brown of Baskin-Robbins. Is your home not selling? Maybe you need to change colors. Packaging makes an impression and people buy what they think they see. Good luck!



What is the Square Footage?

To ascertain the square footage of living space in a home, the Appraiser will typically start with the external measurements, or "footprint", of the property. If the building is a plain two-story or split-entry, this calculation is simply multiplied by 2.

From this point, adjustments have to be made. If the home has a tuck-under garage, this must be extracted. The same applies to areas inside the home where a cathedral ceiling to the roof line may exist, say, in a living room. Obviously, that space is extracted from the upper level. Further adjustments must be considered for cantilevered portions of a house, bay window areas, and other geometrical projections from the basic footprint. A complication can arise with a chalet-style property where the roof line cuts down and is both roof and wall to the upper level. In this case, appraisers will only measure the space that provides at least 5 feet 6 inches of head-room.

In short, you measure a house essentially from exterior numbers, which should correspond to the as-built survey. Condominiums are measured from interior dimensions since that is the space being purchased. The exterior walls, attic and crawl-space are not acquired when you purchase a condo - only the space inside the unit. The building itself, like the land, is owned "in common" with all the other condo owners in the development.

The reason current Appraisals often differ from the Municipal Tax Record is that the source of information, and its timing, are different. When a builder applies for a permit to build, plans are lodged with the Municipality and this provides them with their basic data. However, changes are often made to buildings after the original permit is issued.

To ensure more accuracy, the Municipality usually sends someone out to all new construction to run a tape on the external measurements. The occasion for error arises from the employee often not being able to view the interior. This results in miscalculation of the extractions necessary for garage and other open areas inside.

By Statute, the Municipality is required to physically check all properties every 6 years, but budgets do not always enable this to happen. In 1988, a major effort was conducted by the MOA to confirm inventory and re-measure homes in the Anchorage bowl, but it was never completed. Only some 50,000 homes were measured.