

February 2007 REIN Workshop Supplemental

Locution, Locution, Locution

The Key To Increased
Real Estate Profits



University of Guelph

3-Year Real Estate Market Study
Revealed Surprising Results



University of Guelph 3 Year Study

- 20,000 Transactions Studied
- Uncovered That:
 1. Size Does Matter
 2. Words Make A Massive Difference
 3. Public Reads Between The Lines



University of Guelph 3 Year Study

On average:

- Smaller houses sold faster
- Dramatic increased of time-til-sale (TTS) was the case for properties with 5 or more bedrooms.



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- Bungalows and side-splits sold at the same pace,
- Condominiums, ranch-style and "rental" properties took more time.
- Time-til-Sale differed significantly
 - In City Sold More Quickly
 - Surrounding Areas Increased TTS



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- Words Truly Do Matter:
 - The words **"beautiful"** or **"gorgeous"** sold for 5% more and with a reduced TTS by 15 percent (vs Benchmark)
 - **"Beautiful"** houses sold for more than similar without using "Beautiful".
 - **"Landscaping"** or **"Landscaped"** reduced TTS by 20 percent



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- **"Move-in condition"** reduced TTS by 12 percent (no increase in Sale Price).
- The words "must see" and "vacant" houses apparently had no statistically significant effect.



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- Houses identified as **"Starter"** homes sold in 9 percent less time
- **"Handyman Specials"** sold approximately 50 percent faster.
- Properties identified as **"Rental"** were on the market 60 percent longer than comparables.



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- More Key Words:
- **"Motivated"** or **"must sell"** were associated with a 30 percent increase in the average TTS while
- **"Moving"** had no statistically significant effect.



Marketing is Key

In All Aspects of Real Estate

- If all you can say is **"New Paint"** don't say anything!
- **"New Paint"** appeared on 15% of measured listing sheets (most common listing comment)
- Say it extravagantly – or don't say it at all



Knowledge – The Difference Between Sophisticated Investor & Speculator



February Recommended Reading

What Got
You Here,
Won't Get
You There

Marshall
Goldsmith

