



<http://www.latimes.com/classified/realestate/la-re-words10dec10,0,2429841,full.story>

Maybe it's locution, locution, locution

By Ann Brenoff
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Words matter. Wars have started over them. Civilizations have collapsed because of them. And it would appear that the speed with which a house sells may be determined by them.

As listings grow old on the vine in this flush-with-inventory market and frustrated sellers grapple for the slightest edge, the findings of several academics may offer some guidance.

For example, a Canadian professor, as part of a broader study on real estate sales patterns, found that homes where the seller was "motivated" actually took 15% longer to sell, while houses listed as "handyman specials" flew off the market in half the average time.

"It surprised even me," said researcher Paul Anglin, who teaches real estate and housing trends at the University of Guelph in Ontario, Canada. The study dissected the wording of more than 20,000 Canadian home listings from 1997 to 2000.

What surprised him most was how the buying public put style over substance. Words that denoted "curb appeal" or general attractiveness helped a property sell faster than those that spoke of value and price.

Homes described as "beautiful" moved 15% faster and for 5% more in price than the benchmark. "Good-value" homes sold for 5% less than average.

Another interesting finding in Anglin's study was that the plea of "must see!" was received about as enthusiastically as a dinner-time telemarketing call. Homes with listings using the words "must see" had a statistically insignificant impact on the number of days they took to sell.

Listings where the word "landscaping" was heralded sold 20% faster, and homes in "move-in condition" took 12% less time to sell than the benchmark, although the study showed "move-in condition" had an insignificant impact on the sales price.

Owners use listing language to convey how serious they are about selling. Some words work better than others, Anglin's study found. Listings in which the seller said he or she was "moving" sold for 1% less in price compared to 8% less when the seller was "motivated."

Real estate listings, not unlike personal ads, are crafted to minimize blemishes and maximize perceived selling points. So if "enjoys moonlight walks on the beach and cooking together" means "I'm unemployed and am looking for someone who won't always expect to eat out," then "needs TLC" may mean "this house will have you on a first-name basis with the clerks at the local hardware store."

Anglin's study isn't alone in efforts to determine what language moves the market.

Last year, the impact of listing language was covered in a National Bureau of Economic Research study that looked at whether real estate agents selling their own homes hold out for a higher price. (They do; the study found they take longer to sell but fetch a higher price.)

Descriptions of houses that indicated an obvious problem — such as "foreclosure," "as-is" and "handyman special" — drew substantially lower sales prices. Words that suggested more desirable attributes of the house — "granite," "maple," "gourmet" — translated into a higher sale price, the study found.

One interesting problem discovered was that "superficially positive" words that, in effect, damn with faint praise — such as "clean" or "quiet" — had zero or even a negative correlation with prices.

Those findings echo ones made in a 2000 paper called "Real Estate Agent Remarks: Help or Hype?" researched by University of Texas finance and real estate professor Ronald C. Rutherford.

Rutherford found, among other things, that buyers read between the lines. If you can't find anything better to say than "new paint," perhaps it's best to say nothing at all.

Positive and factually verifiable comments such as "golf" or "lake" drew increased sales prices; other presumably positive comments regarding new paint or new carpet brought lower ones.

"What you say needs to be extravagant," Rutherford said, "or the signal that is received by buyers is that it's not worth talking about."

But what do sellers know? "New paint" appeared on 15% of the listings and was the most commonly listed comment.

Rutherford said sellers would be best served by a listing with "just the facts, ma'am."

"In today's market," he said, "if it's a good deal, you need to convey it with factually verifiable language."

An example: "Needs repairs," he said.

Of the information from his study, conducted between 1994 and 1997 of almost 60,000 closed residential transactions in Tarrant County, Texas, what surprised him most?

That homes with "motivated" sellers stayed on the market 15% longer than average and sold for 4% less. His theory: "They overpriced the house to start with and eventually had to lower it. That explains the length of time on the market and the lower sales price."

Does he have any advice for today's sellers?

"Yes, avoid the word 'motivated,' " he said.

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(INFOBOX BELOW)

Wordplay

Can you guess which of these terms help — or hurt — your house listing?

motivated seller

handyman special

curb appeal

good value

move-in condition

as-is

landscaping

granite

clean

gourmet

quiet

golf

new paint

*

Wordplay answers

Terms that help a listing:

handyman special

curb appeal

move-in condition

landscaping

granite

gourmet

golf

Terms that hurt:

motivated seller

good value

as-is

clean

quiet

new paint

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