



**A TALE OF  
THREE  
HOME  
SALES**



**MOVING ON UP** After a month on the market, the Pararos were able to sell their starter home near Miccosukee Road and Capital Circle Northeast (facing page) for \$190,000 and buy their much larger Ox Bottom dream house (this page) for a "steal" at \$317,000.

It's a hard  
knock life for  
sellers in a  
buyer's market.  
Here's how  
it worked for  
three local  
families.

**BY LILLY ROCKWELL**

In the hot and heavy days of the Tallahassee real estate market in 2005, Realtors saw homes fly off the market in hours, and nervous buyers were so afraid of losing their dream homes that they looked at only about five homes before making an offer. Home sellers hardly had to do more than plunk a "For Sale" sign in the front yard, as many homes were purchased "as is," with no picky repair list or upgrades expected.

At that time, not many Tallahasseeans realized they were experiencing a real estate buying frenzy that may never be matched again in their lifetimes. Five years later, prices have plummeted across Tallahassee. Some homes have seen their values drop by \$100,000 or more. On average, Leon County homes have lost 16.6 percent of their value since 2006. For a home seller, it also takes twice as long to sell a home and requires more prep work.

Understandably, many homeowners are reluctant to put their homes on the market. Real estate agents and brokers understand this fear but are also quick to point out that homeowners who do sell, even if at a loss, have a chance to then become those envied buyers, able to snatch up better homes, for fewer dollars, than a few years ago.

*Tallahassee* Magazine interviewed several local homeowners who decided to sell their homes in 2010 to get a sense of what it's like on the front lines of a buyer's market. We encountered homeowners who were wildly successful, others who made tiny profits, and those who struggled to sell their homes. We share their real estate lessons with you.

**SOLD IN ONE DAY**

Florida State University associate professors Gretchen Sunderman and Christopher Reenock bought their Betton Hills home on Armistead Road in 2003. The

# The 7 Biggest Mistakes Home Sellers Make

Tips from Tallahassee Realtors and Brokers

**1 Not inspecting or paying for a new roof:** This is a new concern that has taken many home sellers by surprise. Many insurance companies and lenders are requiring a letter stating that a roof has five or more years left on it before they will write coverage or allow the purchase of the home. If your roof is more than 12 years old, many roofers won't want to write that letter, and it puts the home seller in the position of paying for a new roof or including an estimate of the cost of a new roof for buyers to peruse. "Since you know it will probably come up in negotiations, you may as well have a figure everyone can work with," Cooper says. "It may only be \$7,000 for a new roof instead of the \$15,000 the buyer is envisioning."

Home selling tips provided by:



**CINDY TEEM**  
Armor Realty



**CINDY COOPER**  
Prudential Fezler and  
Russell Real Estate



**JASON NAUMANN**  
Naumann Group



**CHRISTIE ORROS**  
Coldwell Banker  
Hartung and Noblin



## 2 Selling a home themselves or not shopping for a Realtor:

It's no surprise that Realtors advocate for hiring an experienced professional and for shopping around for a Realtor, just as you wouldn't look at just one home before buying one. Simply put, in a challenging market in which there are more sellers than buyers, a Realtor can bring buyers in the door with a savvy marketing plan, including advertising, open houses, and his or her connections with other agents and brokers. "You have to hire someone that does this for a living," Jason Naumann says. "Hire somebody who knows how to sell a product."

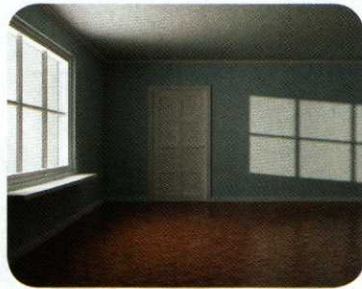


## 3 Being inflexible about renting:

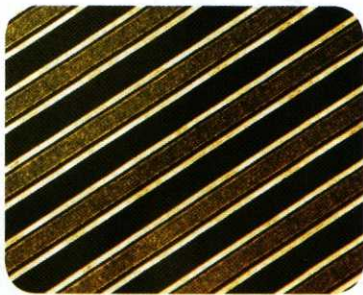
Some sellers have to move out of their homes because of a job offer in a new city or other urgent reasons. But in this market, many sellers are struggling just to break even on homes they bought between 2004 and 2006. "You don't have to sell," Naumann says. "The Tallahassee rental market is stronger today than it has been in the last eight to 10 years." That's because many people whose credit has suffered from a short sale or foreclosure, or potential buyers who are skittish about the real estate market, are unable to buy and are renting instead. Cooper warns that home sellers should be aware of the risks associated with renting, including non-paying tenants.



**4 Pricing their home above the market:** Too many home sellers want to base their home's listing price on what they owe on the house, or try to price it higher than comparable sales in the hope of making more money. But what buyers are willing to pay for your home bears no relationship to how much you owe on it or your profit expectations. "Putting the house on the market at a higher price now to see what you can get, with the plan of lowering the price later, is one mistake sellers make," said Cindy Cooper of Prudential Fezler and Russell Real Estate. "By the time you have the house priced where it should have started, many buyers have already passed your house by."



**5 Not staging or properly cleaning your home:** Realtors and brokers stress the importance of curb appeal, proper staging and decluttering. Ultra-picky buyers will even notice whether a sidewalk has been pressure-washed. Jason Naumann, broker and owner of Naumann Group Real Estate, pushes for staging, especially when it comes to vacant homes. "Nine times out of 10, buyers will not choose a vacant home over a furnished home," Naumann said. "Staged homes sell for 5 percent more than non-staged homes and sell 90 days faster." The home seller, though, pays extra for staging.



**6 Leaving that 1970s wallpaper and Formica countertop:** In a buyer's market with an excessive supply of homes, buyers can afford to be choosy. That means they're demanding homes in pristine, modern condition. "They expect a house to be in move-in-ready condition but priced like a dilapidated foreclosure," said Christie Orros of Coldwell Banker Hartung and Noblin. "Buyers really like to see upgrades, such as hardwood floors and granite countertops."



**7 No room for negotiation on price or closing costs:** "There's no such thing as a buyer willing to pay full price unless it's a steal," Orros says. "If a seller tells me their absolute bottom line is \$225,000, if the market will allow, we need to price it at \$235,000 or \$240,000." In addition, buyers are demanding — and getting — their closing costs paid for and allowances for flooring upgrades. Sellers should expect to pay closing costs, which can be around \$7,000 for a \$200,000 house.

couple had both secured tenured faculty positions and moved to Tallahassee from out of state. After a whirlwind house search, they bought the recently renovated 1960s house built by Carl Ferrell for \$195,000.

The couple planned on staying in Betton Hills for a long time; they loved the neighborhood's proximity to downtown and Florida State, the leafy trees and the variety of homes. At 1,500 square feet, their new house was the perfect size for them.

In 2006, Sunderman gave birth to a son, Cole, and they quickly noticed how small their house seemed.

"We knew the market was terrible, but at the same time, there were these first-time home buyer incentives."

— CHRISTOPHER REENOCK

"As the years went by, the house started quickly filling up with his stuff," Reenock said. "He kept getting bigger and our house felt smaller," Sunderman said.

In 2009, the couple looked into putting on an addition, consulting with contractors and architectural engineers. But as they learned about the cost and feasibility, they got cold feet. Instead, they leaned toward selling the home.

"We knew the market was terrible," Reenock said. "But at the same time, there were these first-time home buyer incentives." A first-time home buyer received an \$8,000 tax credit if the sale was completed by June 30, and ordinary buyers were eligible for a \$6,500 tax credit.

"Our decision-making was, 'Well, it's a bad time to sell a house, but it's also a great time to buy a larger house,'" Reenock said.

By August 2009, on the advice of Realtor Cindy Teem of Armor Realty, the couple was tackling a long to-do list to get their house ready for a sale. It started with painting the walls, changing from yellow in the kitchen and red in the living room to more neutral beiges and creams. They

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## Habitat



got a storage unit for extra furniture and other décor, and decided to replace their 18-year-old roof.

“We worked from August to January, in the evenings and weekends, getting it ready for sale,” Reenock said. “You have to be able to dedicate time and money prepping the house. Unfortunately, that’s not possible for all sellers.”

By January, Teem thought the house was ready, and it was listed at \$235,000. The very first day, Sunderman had to scramble to leave the house prior to its first showing. By the end of the day, they had an offer. Sunderman and Reenock said they were astounded that it happened so quickly. A planned open house went as scheduled that weekend — Teem suggested it never hurts to have back-up offers.

“They did everything I asked,” Teem said. “We had two other potential offers from that open house.”

Teem said the couple was realistic when it came to pricing, which helped sell their

home quickly. They understood the reality of selling in a buyer’s market, Teem said, and were receptive when Teem showed them what other homes in the area were selling for.

That first offer worked out, and the home was sold for \$230,000 in March, leaving them with enough for a sizable down payment on a new home. Six months later, Sunderman remembers their Betton Hills home with nostalgia.

“It was an adorable house,” Sunderman said. “I had a baby there; it was hard emotionally to sell that house.”

The couple now lives in a much larger 3,400-square-foot home in Ox Bottom Manor.

“We have the ability to grow into this house,” Reenock said. “All of Cole’s toys were contained in one room, and we have an office and a guest bedroom. It’s really nice.”

Sunderman and Reenock attribute their success to buying in a great location, using



**QUICK SALE** Months of preparation paid off for Gretchen Sunderman and Christopher Reenock when they sold their Betton Hills home for \$230,000 in just one day.

a good Realtor and putting in the elbow grease needed to appease buyers.

**FROM STARTER HOME TO FOREVER HOME**


When Matthew and Kate Pararo stepped into a traditional, two-story brick house in Tallahassee's northeast Ox Bottom neighborhood in February, they knew right away that it was "the one." With its large yard and its location within walking distance to an elementary school, this was their dream home — the place where they would raise their kids.

There was just one problem: They were living in another home that they still owned.


Both the Pararos work for financial advising firm North Florida Financial and realized what a daunting task it would be to sell their home. They had heard horror stories from friends and clients about homes that sat on the market for months.

Matthew Pararo bought their home in 2004 when he was a young and single. His

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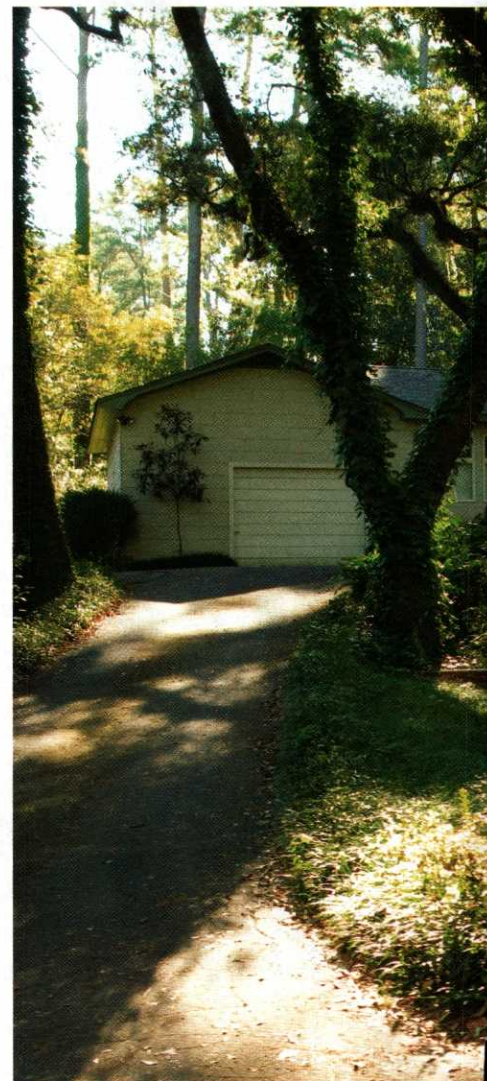
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## Habitat



top priority then was proximity to work, and a new one-story, four-bedroom house near Miccosukee Road and Capital Circle Northeast fit the bill. He paid \$177,500 for the home.

"It had a great location," Pararo said. At 1,450 square feet, it was plenty big for him.

Six years later, Matthew Pararo is married to Kate, and they have turned one of the four bedrooms into a nursery for their son, Bryson. The house that once seemed spacious is cramped, and suddenly issues such as school zones and large yards loom large.

To sell, Matthew Pararo reached out to the same Realtor who sold him his first home and had helped them find their Ox Bottom treasure: Christie Orros of Coldwell Banker Hartung and Noblin.

Orros stressed the importance of staging their home to entice buyers.

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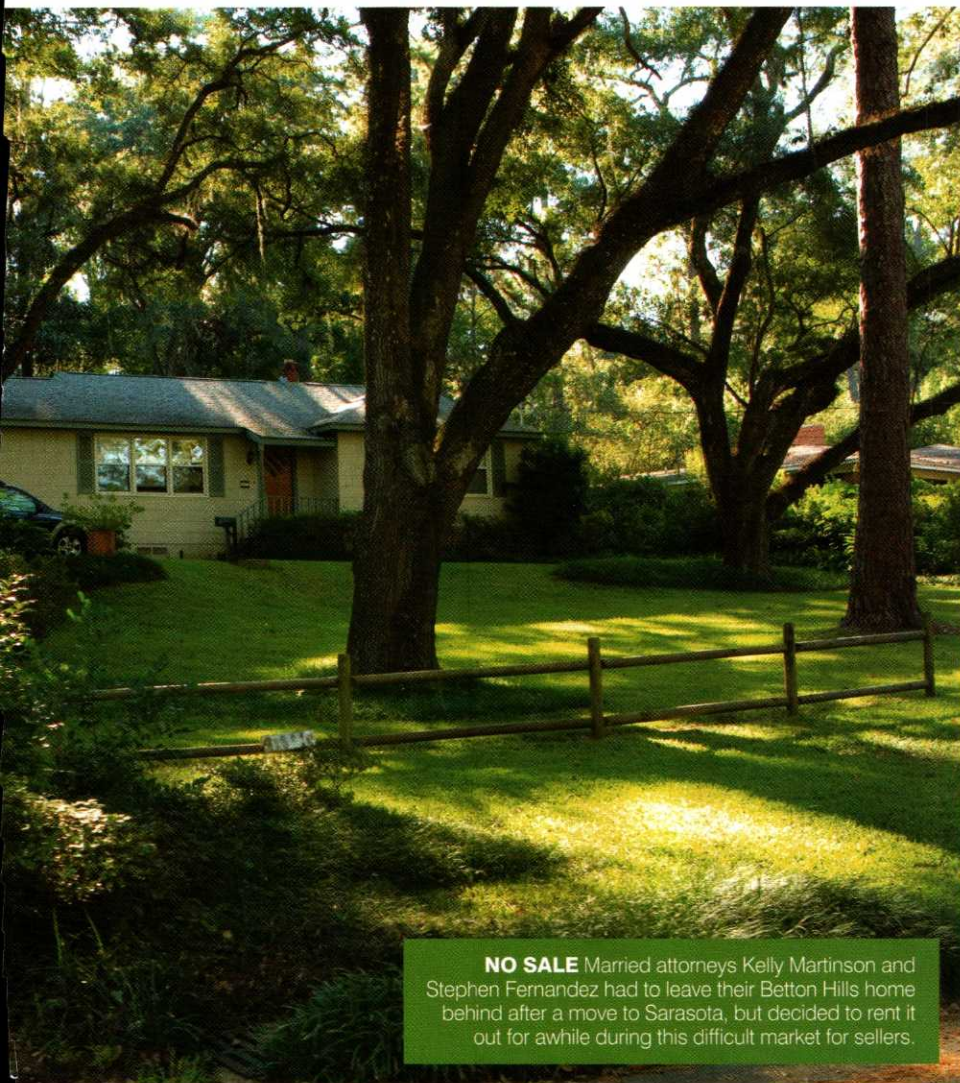
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**NO SALE** Married attorneys Kelly Martinson and Stephen Fernandez had to leave their Betton Hills home behind after a move to Sarasota, but decided to rent it out for awhile during this difficult market for sellers.

“For guest purposes, their house was fine, but for selling it didn’t showcase the spaces well.”

— **CHISTIE ORROS OF COLDWELL BANKER HARTUNG AND NOBLIN**

“They had beautiful things,” she said. “For guest purposes, their house was fine, but for selling it didn’t showcase the spaces well.” Orros put Post-It notes on every item of furniture, appliance or photograph they should remove to de-clutter the home. Family photographs were relegated to the garage, and the furniture was rearranged to emphasize the home’s selling

points, such as the hardwood floors. The patio was pressure washed.

The house was listed at \$200,000. Matthew Pararo said they were skeptical of it selling quickly, so they also listed it for rent.

“Being a finance guy, I was very nervous about having two mortgages and not having a renter in there,” Pararo said.

Meanwhile, Kate Pararo said it was challenging keeping the house spotless and ready for showings on a moment’s notice.

“People would call and want to see the house right that minute, and the baby would be napping,” she said.

Yet the most important thing the Pararos did in selling their home actually happened back in 2004.

Orros said Matthew Pararo simply bought a house that would be easy to

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sell. It was on a hill in a cul-de-sac on a quiet street and was average compared to homes in the neighborhood. It also had four bedrooms and was purchased for a reasonable price.

An offer came in a month after it was listed that was for their asking price. They accepted, although when a bank appraised the house at \$190,000, they adjusted their sales price to match the appraisal. Matthew Pararo said he knew they were lucky to sell at all.

Because Pararo bought just before the peak of the market, they ended up walking away with a small profit.

"The key is getting a good Realtor and staging the house," Matthew Pararo said. And though it was hard for Kate Pararo to leave the home they had built a family in, they were able to move into their dream home at what Orros called a "steal" for \$315,000.

"We love everything about it," Kate said. "It's perfect."

### AN ACCIDENTAL LANDLORD

In 2007, Kelly Martinson and her husband, Stephen Fernandez, were watching prices fall in the housing market. The two Tallahassee attorneys were living in a townhouse they owned and figured it was a great time to trade up to a larger home.

After a brief search, they fell in love with a one-story Betton Hills home with gleaming hardwood floors, three bedrooms, two baths, a large deck and a leafy backyard.

"For us, it was the perfect house," Martinson said. "The size, the location, the style — it was the house where we could envision ourselves living ... if we stayed in Tallahassee."

Two years after buying the Betton Hills home on Crestview Avenue for \$317,000, Martinson and Fernandez decided they wanted to leave Tallahassee and pursue law jobs in the Tampa area. Luckily, both landed jobs in Sarasota in quick succession.

"The only thing holding us back was the house," Martinson said.

They moved out of the Betton Hills home in early 2009 and sought advice from a Realtor on whether to sell.

"We made a decision not to bother putting it on the market, and we rented it for a year," Martinson said.

By April 2010, Martinson and Fernandez were ready to test the waters. They listed their house for \$275,000 while a tenant was still living in it.

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## TALLAHASSEE REAL ESTATE TRENDS

### Average time to sell a home

(includes townhomes, condos and mobile homes)

2004: 53 days  
2005: 45 days  
2006: 62 days  
2007: 95 days  
2008: 114 days  
2009: 124 days  
2010: 133 days (through Aug. 11)

### Total number of homes sold

2004: 4,835  
2005: 5,580  
2006: 5,204  
2007: 3,733  
2008: 2,584  
2009: 2,462  
2010: 1,155 (through Aug. 11)

Today, buyers look at an average of **30** homes. In 2005, buyers looked at an average of **FIVE** homes.

### Average sales price of single-family detached homes in Leon County:

2006: \$253,546  
2010: \$211,368 (through Aug. 27)

*Data compiled from Realtors Christie Orros and Don Pickett with Coldwell Banker Hartung and Noblin.*

Cindy Cooper of Prudential, Fezler and Russell Real Estate worked with Martinson and Fernandez to sell the house. Cooper said that in a normal market, a homeowner can expect to sell a home and at least "break even" after two years. Unfortunately, Martinson and Fernandez were not dealing with a normal market, and prices were still falling.

In addition, showing the house with a tenant living inside proved to be more difficult than Martinson anticipated. In a buyer's market, homes must be in immaculate condition, with cooperative owners ready to abandon their homes with little notice.

The tenant moved out, and in mid-June Martinson dropped the price to \$259,000, knowing this meant they would have to bring money to the table just to close.

"We knew we were taking a hit," Martinson said. The couple had made a

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*"It's hard being a landlord when you know you want to sell the house."*

— KELLY ARTINSON

profit on the sale of their first home, the Tallahassee townhouse they bought in 2005 and sold before moving to the Betton Hills house. But that money was used as a down payment, and Martinson was facing the reality that she may have lost money on that investment.

"When all is said and done, we are essentially starting over again," Martinson said.

Meanwhile, Cooper was also looking for a renter, just in case a buyer never came forward. Cooper said she manages properties as well and has seen the demand for rentals explode.

As it happened, a buyer finally did step forward, and negotiations ensued.

"We ultimately ended up being \$3,000 apart, and we offered to split the difference and go down \$1,500 — and they walked," Martinson said. Frustrated, the couple gave up and decided to become landlords again. Cooper quickly found a suitable tenant.

"It's hard being a landlord when you know you want to sell the house," Martinson said. "It would be different if it was intended to be a rental property."

Martinson remains optimistic about the real estate market. In fact, the couple just bought a home in Sarasota for \$133,000.

"It's half the size of our Tallahassee house," Martinson said. They plan to try and sell their Betton Hills home again next year. After that, they will buy a larger home in Sarasota, where they have seen prices drop as much as 50 percent. As for their current residence? These accidental landlords plan on renting it.

Martinson has remained remarkably unruffled at her turbulent experience selling her second home.

"With my job, I deal a lot with foreclosures," Martinson explained. "I feel fortunate because we haven't had a job loss and we make decent money, so it's not financially ruining us. It's just not ideal, but we are very happy with the move." ■

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