

THINGS TO CONSIDER WHEN **SELLING** YOUR HOUSE



WINTER 2014
EDITION



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5 REASONS TO SELL BEFORE SPRING

Many sellers feel that the spring is the best time to place their home on the market as buyer demand increases at that time of year. However, the fall and winter have their own advantages. Here are five reasons to sell now.

1. Only Serious Buyers Are Out

At this time of year, only those purchasers who are serious about buying a home will be in the marketplace. You and your family will not be bothered and inconvenienced by mere 'lookers'. The lookers are at the mall or online doing their holiday shopping.

2. There Is Far Less Competition

Housing supply always shrinks dramatically at this time of year. The choices for buyers will be limited. Don't wait until the spring when all the other potential sellers in your market will put their homes up for sale.

3. The Process Will Be Quicker

One of the biggest challenges of the 2013 housing market has been the length of time it takes from contract to closing. Banks have been inundated with both purchase and refinancing loan requests. Both of these will slow in the winter cutting timelines and the frustration these delays cause both buyers and sellers.



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4. There Will Never Be a Better Time to Move-Up

If you are moving up to a larger, more expensive home, consider doing it now. Prices are projected to appreciate by over 25% from now to 2018. If you are moving to a higher priced home, it will wind-up costing you more (both in down payment and mortgage payment) if you wait. You can also lock-in your 30 year housing expense now with historically low interest rates. There is no guarantee rates will remain at these levels.

5. It's Time to Move On with Your Life

Look at the reason you decided to sell in the first place and decide whether it is worth waiting. Is money more important than being with family? Is money more important than your health? Is money more important than having the freedom to go on with your life the way you think you should?

You already know the answers to the questions we just asked. You have the power to take back control of the situation by pricing your home to guarantee it sells. The time has come for you and your family to move on and start living the life you desire.

That is what is truly important.



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SHOULD I RENT MY HOUSE IF I CAN'T SELL IT?

There has been a lot written about how buying a home is less expensive than renting one in most parts of the country. Rents are skyrocketing and homes are still at great prices. These two situations are also causing some sellers to consider renting their home instead of selling it. After all, a homeowner can get great rental income now and perhaps wait until house values increase even further before selling.

This logic makes sense in some cases. There is a strong belief that residential real estate is a great investment right now. However, if you have no desire to actually become an educated investor in this sector, you may be headed for more trouble than you were looking for.

Before renting your home, you should answer the following questions to make sure this is the right course of action for you and your family.

10 Questions to Ask BEFORE Renting Your Home

1. How will you respond if your tenant says they can't afford to pay the rent this month because of more pressing obligations? (This happens most often during holiday season and back-to-school time when families with children have extra expenses).
2. Because of the economy, many homeowners cannot make their mortgage payment. What percentage of tenants do you think cannot afford to pay their rent?
3. Have you interviewed experienced eviction attorneys in case a challenge does arise?



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4. Have you talked to your insurance company about a possible increase in premiums as liability is greater in a non-owner occupied home?
5. Will you allow pets? Cats? Dogs? How big a dog?
6. How will you actually collect the rent? By mail? In person?
7. Repairs are part of being a landlord. Who will take tenant calls when necessary repairs come up?
8. Do you have a list of craftspeople readily available to handle these repairs?
9. How often will you do a physical inspection of the property?
10. Will you alert your current neighbors that you are renting the house?

Bottom Line

Again, renting out residential real estate historically is a great investment. However, it is not without its challenges. Make sure you have decided to rent the house because you want to be an investor, not because you are hoping to get a few extra dollars by postponing a sale.



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WHERE ARE PRICES HEADED OVER THE NEXT 5 YEARS?

Today, many real estate conversations center on housing prices and where they may be headed. Every quarter, Pulsenomics surveys a nationwide panel of over one hundred economists, real estate experts and investment & market strategists about where prices are headed over the next five years. They then average the projections of all 100+ experts into a single number.

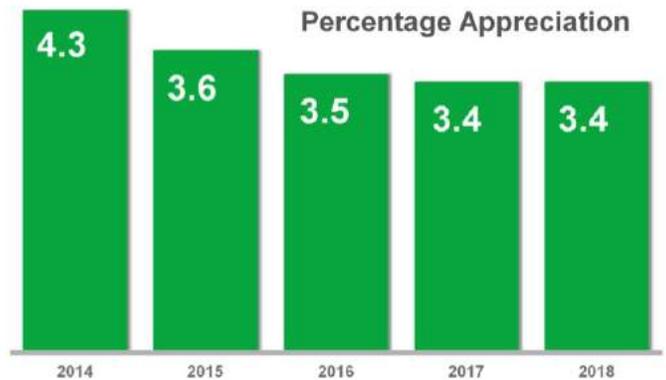
The results of their latest survey:

- Values will appreciate by 4.3% in 2014
- Cumulative appreciation will be 28% by 2018
- Even the experts making up the most bearish quartile of the survey still are projecting a cumulative appreciation of over 16.8% by 2018.

Individual opinions make headlines. This survey is a fair depiction of future values. Prices will not be reaching the same appreciation level over the next few years as they saw in 2013. If you are thinking of moving-up, realize that the home you will buy will increase in price also.

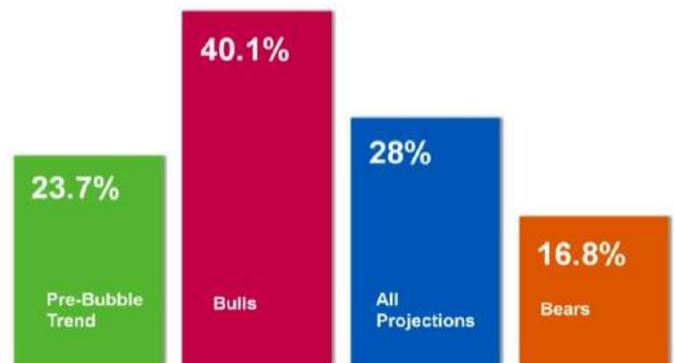
PROJECTED

Percentage Appreciation



Home Price Expectation Survey 2013 4Q

Cumulative House Appreciation by 2018



Home Price Expectation Survey 2013 4Q



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Reasons to Hire a Real Estate Professional



They help with all disclosures and paperwork necessary in today's heavily regulated environment.



They are well educated in and experienced with the entire sales process.



They act as a “buffer in negotiations with all parties throughout the entire transaction.



They help understand today's real estate values when setting the price on a listing or on an offer to purchase.



They simply and effectively explain today's real estate headlines and decipher what they mean to you.



5 REASONS TO HIRE A REAL ESTATE PROFESSIONAL

By Ashley Garner, [KCM Featured Member](#)

The real estate market is a place where most people will make their largest investment ever. It is a place where fortunes can be, and often are, made. It is not a place, however, for you to “wing it”.

While the myriad TV shows about real estate make the process look so simple - it's not really that simple... they make it seem like all you need to do is slap a for sale by owner sign in the yard, have one



open house with fresh flowers and fresh baked cookies and bam! SOLD! in one day. Well I can tell you that in New Hanover County, North Carolina it takes an average of 121 days to sell a home. An average means that some houses take much longer to sell and some much less than 121 days to sell.

You need a professional, full time, well educated, ethical and trustworthy REALTOR to represent you whether buying or selling real estate.

1. Paperwork

Currently in North Carolina there are over 24 pages of contracts involved with buying or selling most homes. The state law requires much of this paperwork regardless of whether or not you hire a REALTOR. REALTORS are trained and educated on the contracts, which are constantly changing, so they can advise you during the process. They can also refer you to a real estate attorney to represent you on all legal matters involved in the process.

2. Process

There are about 180 typical actions, research steps, procedures, processes and review stages in a successful residential real estate transaction that are normally provided by **full service** real estate brokerages in return for their sales commission. (Based on a report prepared by the Orlando Regional REALTORS Association). So this means that if you choose to go it on your own, you are going to have to do all 180 things yourself... or they don't get done... which probably means your transaction doesn't end in a successful purchase/sale.



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3. Negotiation

While there will always be that one guy (or gal) who thinks he (she) is the all-time greatest negotiator, the vast majority of folks do not like confrontational interactions. A negotiation for the purchase/sale of an asset as large as a piece of real estate can be a very confrontational interaction. The role of the REALTOR is to act as a buffer between the two parties who are in the midst of a very emotional and high-level financial transaction, both wanting to get the best they can get often at the detriment of the other party. A real estate professional is experienced in all aspects of the negotiation and is bound legally to do only what is in the best interest of his/her client.

4. Values

Perhaps the single most important aspect of the transaction is the value of the property.

If you are a seller you want to know how much you can expect to get for the sales price and how much of that you will walk away with in your pocket. You want to advertise the property for sale at the right price so you sell for as much as possible but you don't want to price it so high that no buyers make you an offer (and YES if you price it too high MOST buyers will not want to offend you by making a low offer...thus you don't get any offers).

If you are the buyer, you want to know how much to offer. Now multiple offer situations are happening more frequently and if a buyer offers too low, they can either be rejected completely by the seller or they can cause the negotiation to take too long thus allowing time for a competing bid to come in... allowing the seller to be in the driver's seat.

5. Teacher

Any good professional, whether a real estate professional, doctor, lawyer, CPA, etc., will have the heart of a teacher. Real estate brokerage is a service business. The professional REALTOR is there to educate you about the conditions impacting today's real estate market. It is as easy as picking up the newspaper or searching the Internet for real estate news to see conflicting headline after conflicting headline. "*Prices are up 20%*", "*Among worst markets in nation*", "*Best year since the crash*"...well which is it? All real estate is local and your real estate professional will know the local market conditions and lead you through the process, like any good teacher would, making sure you understand all that is going on around you.

A real estate professional is a crucial member of your team when buying or selling real estate. You could be buying your first home or your tenth home, an investment property or a vacation home, commercial or residential...whichever it is you are best served in the care of a full time, well educated, ethical, trustworthy real estate professional.



FSBOS MUST BE READY TO NEGOTIATE

In a recovering market, some sellers might be tempted to try and sell their home on their own (FSBO) without using the services of a real estate professional. The real estate agent is a trained and experienced negotiator. In most cases, the seller is not. The seller must realize the ability to negotiate will determine whether they get the best deal for themselves and their family.

Here is a list of some of the people with whom the seller must be prepared to negotiate if they decide to FSBO:

- The buyer who wants the best deal possible
- The buyer's agent who solely represents the best interest of the buyer
- The buyer's attorney (in some parts of the country)
- The home inspection companies which work for the buyer and will almost always find some problems with the house.
- The termite company if there are challenges
- The buyer's lender if the structure of the mortgage requires the sellers' participation
- The appraiser if there is a question of value
- The title company if challenges with Certificates of Occupancy (CO) or other permits arise
- The town or municipality if you need to get the COs permits mentioned above
- The buyer's buyer in case there are challenges on the house your buyer is selling.
- Your bank in the case of a short sale



CONTACT ME TO TALK MORE

I'm sure you have questions and concerns...

I would love to talk with you more about what you read here, and help you on the path to selling your house. My contact information is below. I look forward to hearing from you...



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