

Master the Market

Are you thinking about purchasing your first home or moving to a new place in the near future? Consider the following essential tips for aspiring home buyers and sellers.



STRATEGY

How to Get the Home You Want

1 Get Ready

Talk to your mortgage professional about your financial situation and credit history to determine your loan options. It's important to know how much house you can afford given your down payment funds and income. Your lender may suggest ways to help you qualify for better rates and terms now or in the near future. A strong letter of pre-approval can really add to your bargaining power.

Have a meeting with your real estate agent. Discuss your needs and preferences and establish the best method for your agent to send listings and communicate with you about available properties. Tap into his or her knowledge of the local market. When it comes time to act, he or she will represent your interests in negotiations and work to ensure a smooth transaction.

2 Shop Smart

Expect to pay more for a showplace; if you consider a fixer-upper, judge structural deficiencies more harshly than cosmetic flaws. It can be costly to replace major components or to change the layout, but redecorating with flooring, fixtures or paint is relatively easy and sometimes offers instant equity potential.

Location is key. Even if the site seems perfect for you at the present time, think about whether it will appeal to a large pool of buyers if you should decide to sell in the future.

3 Go For It!

To write a winning offer without overpaying, look at the prices for comparable sales. Consider whether the property is in a high-demand area or if there is plenty of competition. Ask your agent to find out why it is for sale and if the seller seems motivated. If you accommodate the seller's preferred closing dates or other terms, he or she may be more flexible with the price.

Schedule a home inspection after coming to terms. Many sellers expect to address issues related to safety or building codes, and additional repairs (or a credit) may be negotiated.

If you must sell your current home to afford a new one, consider putting it on the market before starting your search. You can often negotiate a better deal on a purchase if your property is under contract or you already have the cash in hand.



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Putting a property up for sale can be a stressful proposition, and some homeowners may have a hard time making objective decisions when it matters most. Fortunately, you can count on the insight and guidance of your real estate professional to help get your home sold.

Smart Strategies for Home Sellers

Price it right. Your listing agent will perform a current market analysis. Look closely at the comparable sales of similar homes that have closed in the last 90 days and take the number of available listings into account when settling on an asking price.

- ✓ Keep in mind that area homes that have failed to attract a buyer in a reasonable period of time may be overpriced.
- ✓ Foreclosures or short sales in your neighborhood can impact the market value.
- ✓ It doesn't pay to be unrealistic; most buyers will need financing and the bank will generally use an appraisal based on recent sales to justify the loan amount.

Your agent may recommend that you perform repairs to correct visible flaws—or even suggest staging the rooms in your home so they feel more spacious and potential buyers can picture themselves living in them.

Take advantage of your market debut. Pricing your home competitively from the get-go increases the odds of a quick sale.

- ✓ Most buyers screen available homes on the Internet, and new listings get 4 times more web traffic.* If your home is priced too high when it hits the market, you run the risk that active, qualified buyers will scroll right past it.
- ✓ New listings are called “hot” for a reason—buyers get excited about them. Showing traffic is likely to fall off noticeably after the first 30 days on the market.
- ✓ When weighing an offer, make sure to consider the potential costs of holding on to your property longer than you want or need to (*including the mortgage, property taxes, insurance, maintenance, etc.*).

*Source: The Wall Street Journal, August 23, 2010.



Sweeten the Deal

Sellers who agree to pay the buyers' closing costs can make it easier for first-timers to obtain financing, while offering to throw in appliances, upgrade allowances or other perks could swing a buyer's decision your direction. Owners of luxury homes have been known to entice potential buyers with a golf membership, valuable art or antiques, or special incentives like a car or boat.