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Getting the Best Value for Your Home - Pricing Your Home to Sell

Getting ready to get into the real-estate market?

Most sellers today are nervous and unsure. They wonder: is taking a loss on our house inevitable?

The answer is no! A strategic sales plan, coupled with a smart buy in your new location will ensure that you recoup the maximum value for your home.

Your Strategic Sales Plan

Consult with an expert, local real estate agent to ensure your house is priced competitively and well-staged. Why? Because while there are always three factors to getting a home sold—location, price, and condition—only two are under your control: price and condition. Of the two, which is more significant? Price. Remember that price will correct bad condition, but condition will never overcome a bad price.

Act fast. You're in a race against time—the best price you'll get in today's market is the one you get now. If you wait, it will be lower. And every month the price on your home decreases, your costs remain the same. For example, Keller Williams research shows that sellers who listed their home at the price the agent originally recommended, sold the home 38 days faster. This is over a month of mortgage and tax payments! For a home that cost \$200,000 at time of purchase, with 20 percent down and an interest rate of 6.5 percent, selling a month sooner results in a savings of \$1101.31 for the mortgage alone, not including the taxes and insurance that the homeowner would be paying during this time.

Don't worry about where the market has been, keep your focus on where it is going. The price your neighbor down the street got six months ago is not relevant in a market where your house is competing with others from all across town. Again, a local real estate agent will have the kind of long-term, wide-ranging data that will help you decide how to pinpoint your price with precision.

Your Smart Buy

Move up. Whether you are moving to an area where prices are in a downturn, or dreaming of nicer, bigger, home in your own town, selling your house now can get you into the home of your dreams. Falling home prices are a great opportunity for a savvy homeowner looking to move up. Even though your house price may be lower, the smaller loss at sale can be made up by greater savings at purchase. For example, let's take that same \$200,000 home, and imagine that it has decreased in value by 5 percent, reducing the sales price to \$190,000. At the same time, let's imagine that you would like to move up and the \$400,000 home you have been eyeing has also decreased by 5 percent. That's a savings of \$20,000, and it is a home that is likely to be better positioned for appreciation when the market rebounds.

Bottom line: don't pit yourself against the market, work with the market to get the most out of your house sale.



Stage It, Sell It, Profit!

Turn on any popular home network on cable TV and you'll find a program on staging.

Re-arrange your furniture, pick a soothing color palette, clear out the family photos, and your home will sell faster, and for more money. Sound too frou-frou to be true?

It's not! The soft and decorative side of staging is backed by hard facts.

Real estate agents like great-looking homes because they are easier to sell. Why is that important?

- **An agent's job is to please their clients**, and they will direct their buyers to the homes they think they will buy.
- **Agents talk to other agents** who are also directing their buyers to the best homes on the market. An attractive listing will be shown more often, meaning more market exposure—critical for a quick and profitable house sale.
- **Staging is non-negotiable** in many parts of the country. Staging a listing for sale in an area where the concept hasn't caught on can give you an advantage, particularly if there are many unsold listings similar to yours on the market. Buyers gravitate to listings that look good and are in move-in condition.
- **Buyers are looking for value.** When prices are flat or on the decline, buyers need to perceive that the house is worth the price.

Bottom line: staging is more than an exercise in tasteful interior design. It is a business decision that can have a huge impact on your financial return and timeline.

Do You Know a Homeowner Facing Foreclosure? Here's A Way Out.



Headlines today are filled with stories about homeowners in financial distress—people who face a lender's foreclosure on their home.

Millions of American home owners are wondering what to do.

Like most crises, this one has produced its share of rumors and misinformation. One of the biggest ones is "just let it happen." Why fight back, this line of thinking goes. It's too emotionally draining, and the government's loan modifications aren't helping many people. Well, that's only partly true.

While government loan modification programs have fallen short of the mark so far, there is another solid, sensible option for homeowners. It's called a **short sale**—a sale to a buyer where the seller's lender agrees to accept less than the full amount owned.

Why not be foreclosed? Why sell short? Agents who have closed hundreds of these transactions provide this list of reasons:

- **Avoid the foreclosure stigma** – Homeowners will always have to disclose that they had a foreclosure on any mortgage application and (many job applications) that they submit in the future. This can have an adverse affect on their future mortgage rates. Foreclosure is asked about specifically in credit inquiries. There is no seven-year time limit on this item.

- **Protect credit score** – Credit scores will be lowered by 300-plus points (per loan) by foreclosure. The impact of a short sale—about half that much.
- **Improve eligibility for a government insured loan** – The homeowner will be ineligible for a government insured loan for 5-7 years (only two years in a short sale). A foreclosure is the one credit report item that is almost impossible to have repaired.
- **Avoid a deficiency judgment** – Lenders can seek a deficiency judgment against the homeowner and collect any amount they do not recover at sale.
- **Protect employment prospects** – Many employers run credit checks on prospective employees. Foreclosure is one of the top items that will put a potential new hire, or even current employment, in jeopardy.

These are the top reasons, but there are more. An expert short sale specialist agent can give a full picture of the options.

One more tip. Don't believe everything you read about how long short sales take and how few get finalized. Short sale timelines, while still longer than normal, are shrinking as lenders get their paperwork act together. Find out who the top short sale agents are in your market. These pros are closing 70 to 90 percent of the short sales they represent—more than three times the national average. They know where to find buyers, and how to negotiate the buyer's offer effectively with lenders and get the deal closed—so the homeowner can move on with life and recover.

This report is courtesy of Keller Williams Realty brought to you by Molena Gould; Sales Representative; Keller Williams Energy. For further assistance contact Molena via email or direct at 905.430.2320 x 240 or molena@molenagould.com

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