

Important to Know

At some point in time, odds are you will probably be involved in buying or selling real estate.

In 2012, 65.4 percent of Americans owned homes. When added to the home owning majority, the many Americans who do not own homes but will one day assist a friend or family member with buying or selling real estate, the likelihood that you will need knowledge of and/or assistance with these processes at some point is rather significant. When this happens, depending on whether you are a buyer or a seller, there will be certain things to be aware of in order to insure a successful endeavor.

5 Reasons Home Sellers Fail or Have a Bad Experience When Trying to Sell Their Homes

1. Lack of understanding of what determines market value. This lack of understanding can lead sellers to regretting having undersold their home or to frustration over months of trying unsuccessfully to obtain an offer. The latter, this extended time on the market, leads to increased difficulty in securing an offer and encourages lower and lower offers and an eventual sales price that is well below what the property could have been sold for earlier had it been priced correctly.
2. Lack of knowledge of competing homes; what they offer and at what prices. In every market, certain homes are “used” to help sell other houses. If a seller lists their house for the same price as others that are in much better condition, or if a seller lists their house for more than others that are in similar condition, buyers will see the difference and go with what is clearly the better choice. To be on the wrong end of this decision making process is to be well on the way to a poor outcome if changes aren’t quickly made.
3. They don’t stand out from the competition. In the same vein as point number 2, if a seller’s home blends in with all of the others that are on the market and doesn’t stand out in any way (outstanding price or condition), the road ahead might be a difficult one.
4. They don’t consider the big picture. Often times a seller finds himself or herself holding out for a certain price or certain terms not realizing the cost of the delay brought about as a result of the same. Primarily, the longer a house is on the market, the lower a person

typically has to reduce the price to bring about a sale. Agents and buyers have easy access to information in determining how long, and at what prices, a seller has been trying to sell their house. Further, in cases where the seller plans to buy another home, by delaying in hopes of values climbing, an important realization is that if the values do climb, more will have to be paid for the next house (This after selling for less than necessary in order to make up for excessive time on the market). Lastly, if a seller is pleased with the mortgage interest rates when they list their house for sale, a long process might see those rates climb. In the case of vacant houses, carrying expenses such as insurance, property taxes, utilities and maintenance can add up to an amount that will not be recovered. Often times, the sooner those expenses can come to an end the better.

5. They don't employ the services of a Realtor with a proven track record to help them. By choosing a Realtor with a support staff who utilizes Internet marketing, has a large sphere of influence, has guided thousands of clients through the process, has a knowledge of all associated paperwork and legal pitfalls, and who can give advice on home improvement, home sellers position themselves to experience success when attempting to sell their home.

5 Reasons Home Buyers Experience Bumpy Roads and Fail to Get Good Deals When Buying Real Estate

1. They don't get pre-approved for financing by a local lender who has a good working knowledge of the area they are hoping to move to. Without a thorough understanding of down-payment requirements, closing costs and monthly payment options, many would be buyers spend countless hours considering, and even viewing, houses that will not work for them financially. In the worse cases, these searches culminate with frustrated house hunters being denied homes they have fallen in love with.

2. Buyers who are not up to date on current market trends, available homes and supply and demand are prone to over pay for a home or under bid and thus lose out on the perfect home for them.

3. When attempting to purchase a home from a seller who is not motivated to sell, or from one with no equity, buyers find themselves failing to favorably negotiate the sales price, home inspection, time of possession, and virtually every other point of negotiation. Only in

purchasing the perfect home will such challenges prove to be worth the effort.

4. Buyers who have to sell their current home before buying another often experience frustration when they try to enter a contract to purchase another home prior to selling theirs. For starters, these buyers seldom negotiate a favorable deal as the seller can't help but wonder when, or if, the buyer's house will sell. Secondly, for buyers who do enter a contract to purchase under these circumstances, the contract will typically contain a "Right of First Refusal" which allows the seller to continue to market the home until being notified that the buyer's house has sold. Many buyers have stood helplessly as the home of their dreams sold to someone else while they remained without a buyer for theirs.

5. They fail to connect with an experienced Realtor to represent them and look out for their best interest in purchasing a home. Realtors help their buyer clients discern which properties are the best opportunities and advise them regarding how to structure their offers. After the initial offer, a real estate professional who is skilled in negotiation can save his or her clients time and money and assist them in finding a reputable home inspector, lender and attorney. With a good working knowledge of the process and the various forms and disclosures, an experienced Realtor can smooth out the bumps in the road and insure that pitfalls (such as 1-4 above) are avoided.