

Real Estate

YOUR HOME | YOUR LIFE



Looking for a Quick Sale?

Sellers often only consider how much they'd like to make when setting a sales price for their home.

Depending on your circumstances, however, you may be looking to sell your property as quickly as possible to avoid the burden of two mortgage payments. Pricing might have a direct effect on this all-important timeline. Here are some considerations.

FINDING AN AGENT

First, you'll need to find a reputable local real estate agent. You have the option to sell your own home, of course, but an experienced pro can provide valuable insights into the market dynamics and help you sell the home faster. Look for an agent with a proven track record of prompt completed sales. This is the biggest indicator that they understand the local market.

Ask for references and check for positive online reviews from past clients. Arrange meetings with prospective agents at your property to learn more about their approach to sales, and ask their advice on how to make the quickest sale possible.

TIMING IS CRUCIAL

Sometimes, a move is out of our hands. Work or family considerations reign supreme. But if you have options, list your property during the optimal



© ADOBE STOCK

seasons of spring or summer. Families with children often prefer to complete their transition before the new school year begins. Buyers naturally gravitate toward outdoor activities during the warmer months, and the long days provide a better showcase for the home.

Discuss the timing of your sale with a local real estate agent, since they will have more insights.

FAIR PRICING

Finally, yes, price matters. Here's another area where it's smart to rely on a local real

estate agent who has in-depth knowledge of the market so they can assist in determining a reasonable price point. Consider the prices of comparable homes in the area, while leveraging their expertise on how long it typically takes to complete recent sales. This will

help you set a price that falls inside the lower end of the midrange for listings in your area. Be prepared to closely monitor and then potentially adjust this number, depending on how the market continues to evolve — and how long your home is on the market.

Investment Properties

Considering an investment property? This type of real estate investment can be profitable, offering the possibility of long-term benefits through a new source of income.

Delving into this, however, always requires careful planning, particularly for first-time investors. Begin by outlining your goals so you can more easily narrow the choices and make a well-informed decision.

GETTING STARTED

As an initial step, look for properties that align with your investment strategy. For instance, multi-family properties offer more than one income stream – but have potentially higher maintenance costs. Single-family homes, on the other hand, typically boast higher appreciation rates and lower maintenance costs. Condos may yield lower profits but require less upkeep.

Establish a realistic budget for property investment, taking into account factors like closing costs, down payments, insurance, potential vacancies and ongoing maintenance costs. Thoroughly research the local real estate market: Analyze property prices, vacancy rates, rental demand and future growth prospects to identify the most lucrative opportunities.



© ADOBE STOCK

SOME KEY CONCERNS

As the familiar saying about real estate always reminds us, location plays a pivotal role in the success of this type of investment. Consider proximity to schools, job centers, transportation options and other essential amenities. Evaluate potential returns and monthly cash flow for each property by calculating key metrics such as cap rate, gross rent multiplier and cash-on-

cash return.

At the same time, factor in expenses like insurance, property taxes, management and maintenance costs to accurately assess profitability.

Conduct a comprehensive inspection to identify any structural issues, potential concerns and required maintenance.

EXPLORE YOUR OPTIONS

Hire a qualified inspector to

evaluate the condition of the property and uncover any hidden issues that may affect its rental potential or value. Explore different financing options and get a pre-approval for a mortgage, if necessary. Research and compare loan terms and interest rates to secure the best financing package. Seek out advice from legal and tax pros. They can help identify relevant zoning regulations and land-

lord-tenant laws.

WHAT'S NEXT

Decide whether you want to hire a professional property management company or personally oversee the property. If you choose to self-manage, be prepared to handle maintenance requests, tenant concerns and other day-to-day responsibilities. Outsourcing management can save time and effort but will cost more.

Should You Rent First?

If you're still in the process of saving for a down payment or find yourself facing a sudden relocation, renting can create a smoother transition into your new locale.

Renters have an opportunity to gain a better understanding of the city they're about to call home while continuing to save money. Keep in mind, however, that there may be a steep learning curve since everything will be so new. Give yourself the necessary time to adapt and get into a more favorable financial position.

DO YOUR HOMEWORK

When renting, you won't have to worry about repairs and maintenance, since that's the responsibility of the landlord. This might be a huge relief – in particular after the exhaustion of your major move. However, it's important to note that each management company and lease agreement is unique. Before signing any contract, consider discussing things with a real estate professional. For example, depending on local market conditions, renting may be more expensive than managing a mortgage payment. Developing a relationship with a real estate pro can come in handy down the road when you transition into the role of buyer.



© ADOBE STOCK

LIFESTYLE OPTIONS

Renting creates extra time to discover more about your new community – including its unique neighborhoods, fun shopping destinations, dining and entertainment options and public amenities. It provides opportunity to research local government and details about schools. Identify which

areas are quickly developing, since that will come in handy whether you choose to live far from those trendy spots or nearby.

Unlike those who quickly commit to a mortgage, renters have flexibility with shorter leasing options like six months or a year. You might realize that a neighborhood

far from your rental is a better fit.

FINANCIAL CONSIDERATIONS

Relocating to a new area and purchasing a home can be quite expensive. Some employees receive assistance from their employers when relocating, but that's not

always the case. Parents may assist with a down payment, too – but that's not guaranteed either.

More likely, you will need to cover moving expenses and potentially purchase new appliances or furniture. That's why so many people choose to rent until the timing for your big purchase is just right.

Before Your Open House

Open houses provide a valuable opportunity for sellers and potential buyers to interact while exploring the possibility of purchasing a home.

There is a huge upside: Buyers get a firsthand look inside while sellers showcase their homes in a more personalized way. But there can be lots of pitfalls, too. Here's what to do before your open house.

SELLER TIPS

You'll have lots of work to do prior to hosting an open house. Begin by creating a welcoming atmosphere: Provide refreshments and consider lighting a few candles. Combine soft background music with these subtle touches to enhance the sensory experience.

Next, highlight the unique selling points of your home with brochures or informational packets, whether it's your modern kitchen, spacious backyard or luxurious main bedroom suite. Include other essential details about the property, too, such as recent upgrades, floor plans and neighborhood amenities. Make sure your property is clean, decluttered and staged to showcase its best features. Consider making minor repairs. Remember to remove



© ADOBE STOCK

any valuables to protect against theft.

HOW IT WORKS

The best time to schedule your open house is usually the first weekend after you've listed the property for sale. Potential buyers can provide valuable early feedback that can help address any easily fixable issues. A real estate agent typically acts as host for

the open house. This eases the way for visitors who may feel more comfortable asking questions in the absence of the owner. Either way, the host should be well-prepared to answer any inquiries and provide personalized tours. Your agent may host a broker open house, where other real estate pros can make a mid-week visit, to encourage showings. Some trendy brokers are

even livestreaming these events.

FOR BUYERS

Buyers should thoroughly research the home and neighborhood before attending any open house. You don't want to waste your afternoon – or the seller's. Take note of comparable sales and notable amenities to more fully understand the area's suitability. Take

along a notebook, smartphone or camera so you can document details like layout and property condition. Ask questions about the property's history, including maintenance and renovations. As you continue your tour, be respectful. Avoid touching personal belongings. If interested, follow up promptly with the listing agent. Some properties sell quickly.

Inside Auction Sales

You'll often find investors looking for more affordable properties at real estate auctions.

These aren't exclusive events, however. Anyone looking for a good deal can get involved. Look for notices about these quick sales through local news sources, then take advantage of the potential for a great deal. You'll likely have to participate in a small bidding exchange, but it's worth it for sellers who know how to effectively navigate the process. Here's a look.

KNOW THE RISKS

Property auctions offer benefits for both sellers and buyers, but inherent risks remain. Buyers should conduct thorough research before participating, especially when dealing with condemned or distressed properties. Even well-maintained homes may require costly repairs and maintenance if they've been closed for an extended period. It's important to note that all auction transactions are final.

IF YOU BUY

Depending on the bidding process, auction properties can be a wise investment decision for buyers. After all, sellers are typically looking for a streamlined process without the hassle of lengthy negotiations. The available inventory is announced in advance, pro-



© ADOBE STOCK

viding buyers with guaranteed options. These auctions offer a range of properties within a geographical area and price range. When making an offer and taking possession of the property, the closing date is agreed upon beforehand.

IF YOU SELL

Individuals looking to sell

their property can take advantage of an eager audience. This is especially beneficial for sellers who have been burdened with carrying costs and previously unsuccessful sales. All potential buyers are pre-qualified, and there aren't any lengthy negotiations or property showings. While competitive bidding may drive up pri-

ces, auctions usually start at fair market value.

AUCTION TYPES

There is more than one type of auction. An absolute auction, for example, goes to the highest bidder – regardless of the amount they bid. So, in this scenario, a single \$5 bill could potentially secure a

property (if no one else bids \$6 or more). In a minimum-bid auction, on the other hand, bidders must meet a certain threshold that covers remaining unpaid mortgage balances and taxes. Lastly, in reserve auctions, bids are essentially offers that can be accepted or rejected – regardless of the bid amount.

Building vs. Buying

Deciding whether to build or buy comes down to personal preference.

Are you looking for a seamless move from one property to the other? It might be best to buy. More interested in complete customization? Then you might want to build your new home. Either way, building and buying present their own set of challenges.

IF YOU BUILD

Building requires significant initial expenditures and sparks more immediate concerns about property. Additionally, you will need to decide whether to manage the project yourself or hire professionals. Most importantly, you must become very good at budgeting. Those who choose to build can ensure that their vision can be fully realized, right down to the smallest detail. However, builders must be prepared to finance the entire project upfront.

INITIAL STEPS

The process of home construction begins with securing funds. The cost per square foot is typically determined by the market, so familiarize yourself with these figures so you can establish a suitable budget. Create a contingency fund to address any unforeseen issues. Next you'll be purchasing materials, and hiring contractors and workers, then overseeing the build.



© ADOBE STOCK

Monitor the quality of material, since repairs and replacements add up to hidden costs after construction. Opting for higher-quality items will result in fewer repairs and replacements. Building has the added benefit of warranties which aren't typically found in older homes. Opt for

energy-efficient appliances and modern insulation products. There might be more initial upfront cost, but they can help lower energy bills in the long run.

IF YOU BUY

The timeline for transition from one home to the next

can be far shorter when you purchase an existing property. But that's only if you immediately find your dream house or are willing to settle for a fixer-upper. These homes come with unique history, and you must initially accept their current issues and amenities. Some problems might be fixed

by the seller as part of the contract negotiation. Others might only be revealed later. That's why it's smart to ask for or purchase a home warranty. You may have to live with a layout that doesn't perfectly align with your needs, at least until there's time and money for renovation.

Guide to Financing

Home purchases are typically the largest single investment anyone ever makes. That makes paying for them a critical element of your overall financial health.

A solid plan is to buy something that fits your individual budget, while using a loan product that suits your history and current situation. Here's a look at the options.

WHERE TO BEGIN

Check your credit report and bank statements to get a complete idea about where you stand with debt ratio, savings and investments. This combined information helps determine your price range, which directly affects the kind and size of your mortgage. It's smart to consult with a trusted financial advisor to figure out which loan is right for you.

Lenders will create customized plans based on your income, credit score, debt and proposed down payment. Before scheduling a meeting, make sure you have all the necessary information in hand.

Lenders will require income information from the past two years, verification of debts and assets, and tax information.



© ADOBE STOCK

To confirm your eligibility, the lender will conduct a new credit check.

THE CONVENTIONAL LOAN PATH

In most cases, you will be directed toward a conventional loan. They're suitable for buyers who can make a down payment of 20% or more of the property.

These loans usually have a 30-year payback timeframe,

although there may be shorter periods for qualifying individuals. If you don't have 20% in cash for a down payment, you may still qualify for a conventional loan.

You will just have to add PMI, or private mortgage insurance, to the mortgage until you reach a certain equity threshold.

VETERANS BENEFITS

Individuals who have

served in the military, are currently serving, or are spouses of those in the military can qualify for home loans through the U.S. Department of Veterans Affairs. These loans are backed by the federal government and typically boast lower interest rates.

VA loans also often have lower down payment requirements, and some don't require private mortgage insurance.

MORE ACCESSIBLE OPTIONS

If you have limited savings or a lower credit score, lenders may direct you to the Federal Housing Administration's mortgage program. These loans are insured by the government. Certain income levels must still be met, but FHA loans generally have lower down payment requirements. That's made homeownership more achievable for many.