

How to sell your home in THIS market

Caught in a Housing Squeeze? By Andrew Massaro, CFP®, CFSDirector, Financial Planning, Edelman Financial Services Two years ago, you signed a contract to build your dream home. It's nearly finished, and you move in soon. But you haven't sold your current house yet, and you're starting to worry. It wasn't supposed to be like this. Two years ago, houses were selling in a day, for more than their listing price. You figured you'd be able to sell your house easily, just in time to move into your dream home. My, how things have changed. Your house isn't worth as much as you thought it was, and you won't be able to sell it as quickly as you'd hoped. But all is not lost. Let's just work through the problem as best we can. First, if you are trying to sell your home yourself, stop. This is not the time to go it alone. Immediately list your home with a Realtor. But not just any Realtor. Choose one who was in the business in the early 1990s (the last time the real estate market was soft), who can use his or her experience to help you in this market. If your house is already listed, ask yourself whether you have implemented all the suggestions your Realtor has given you. Good Realtors offer excellent tips that can make your house "show" well, boosting the likelihood it'll get sold. Start with the yard. Curb appeal is critical: The way your home appears from the street is essential to getting a prospective purchaser interested in buying your home. Once inside, how does the place look? Your kitchen cabinets, appliances and bathroom fixtures need to be modern and in good condition, because few buyers want the hassle of replacing carpets, painting walls, removing wallpaper or making repairs. Remember, your biggest competitor isn't the home for sale over on the next block; it's the new home being constructed down the street. In new construction, all a buyer needs to do is move in. So make sure that moving is the only thing your prospective buyer needs to do too. Try not to move out of your old house until it is sold; an empty house rarely shows as well as those that have a lived-in feel. An empty house also communicates to the buyer that you're desperate to sell, which will reduce the number (and price) of serious offers. Get the Right Home Loan We solicit dozens of banks to find you the right loan program! Edelman Mortgage's It's Time to Refinance? Lower your interest rate and save thousands of dollars in interest. Edelman Mortgage's Interest Only Option Loans Get a 30yr or 40yr fixed rate loan with interest only payment option for up to 15 years! Edelman Mortgage Page 1 of 2 Caught in a Housing Squeeze? 4/4/2007 <http://www.ricedelman.com/planning/home/housingsqueeze.asp> Most important, have you accepted your Realtor's advice regarding the asking price? You should price the house to sell in 30 days, and in this market, that could require you to lower the price. If you are shocked by the price suggested by your Realtor, you're probably headed in the right direction. The reason: Most sellers think last year's prices are still valid. They're not. You won't get the price that you might have gotten in 2005, or even in 2004. Instead, you're more likely to be offered a price similar to those offered in 2003. Ask your Realtor for a marketing plan. The key is to get other real estate agents to tour your home. Talk with your Realtor about open houses, and consider incentives to encourage other agents to steer their clients to your home. Sellers have been known to offer everything from extra commissions to vacation trips to big screen TVs and cars! If it's becoming clear that you won't be able to sell your house before you settle on your new home, talk with your financial advisor to figure out how you can best handle the two mortgage payments you're carrying. In this market, the houses that sell are the ones that are in tip-top shape, are priced right and have maximum exposure to potential buyers. If this doesn't sound like your situation, you have work to do. updated 04.03.07 Don't Wait for Rates to Rise Again Don't wait to take advantage of historically low interest rates. Edelman Mortgage Caught in a Housing Squeeze? Is Your Child's Social Security Number at Risk? 10 Reasons You Should Carry a Big, Long Mortgage Auto Insurance: Do You Have the Right Coverage? About Ric, Tune In, Store, Planning, Newsletter, In the News, Financial Center Copyright ©1996-2007 Edelman Financial Services LLC • Terms of Use 4000 Legato Road, 9th Floor • Fairfax, VA 22033 • 703.818.0800 • (888) PLAN-RIC Page 2 of 2 Caught in a Housing Squeeze? 4/4/2007 <http://www.ricedelman.com/planning/home/housingsqueeze.asp>