

Real Estate

YOUR HOME
YOUR LIFE



Starting your Research

Market research is critical to an effective transaction, especially for novice real estate buyers and sellers.

Conducting even the most basic of market analyses can be a confusing endeavor if you don't have specific experience doing so. Read on for ways to build a foundation of quality research to achieve ensure a positive real estate experience.

MAIN FACTORS TO CONSIDER

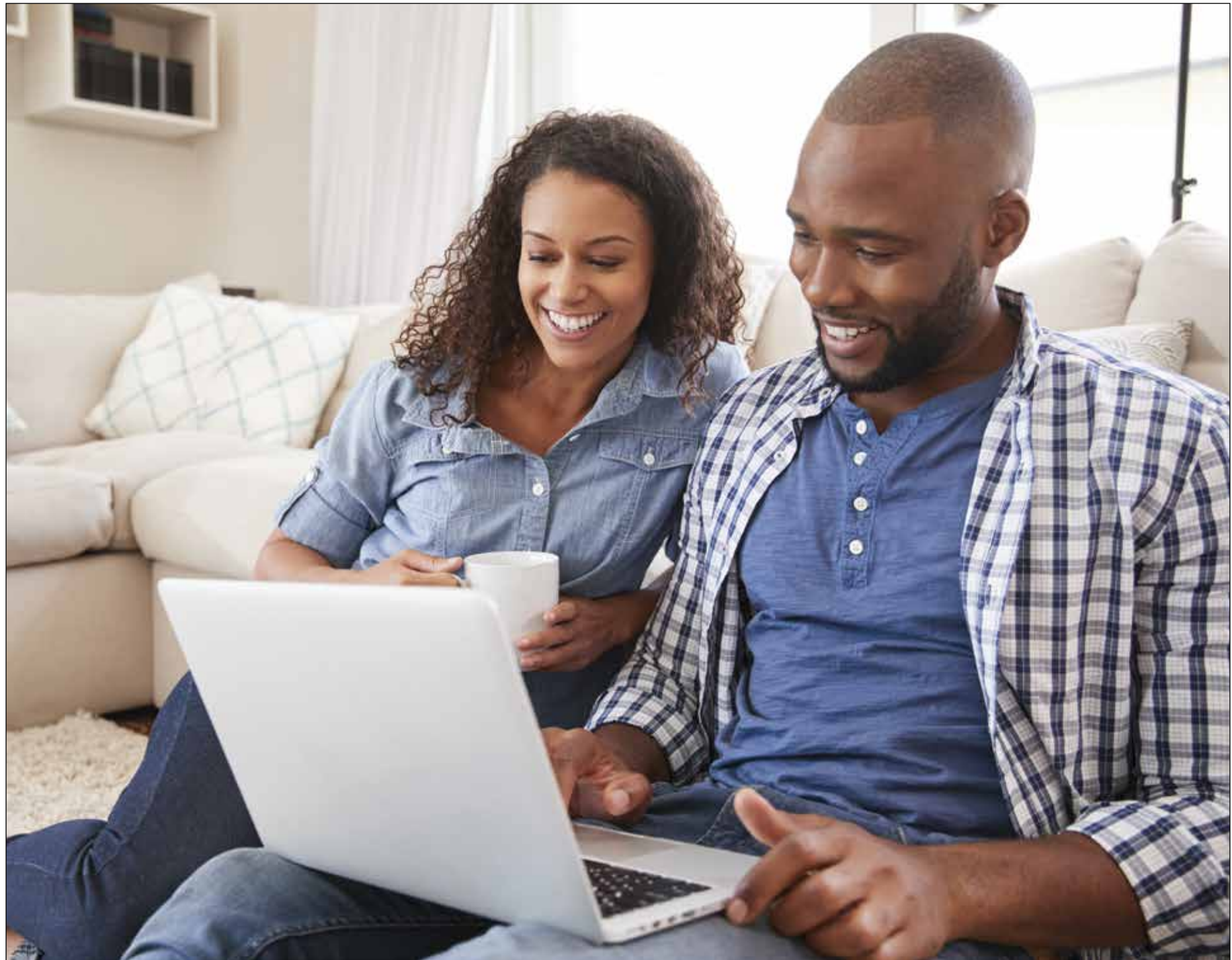
The first step is to investigate the basics.

Which location are you targeting? What type of market is it: buyer's or seller's market? What is the average length a home is on the market? What are the typical home prices in your area when they sell? What are the demographics and job market like in the area? Is the population largely younger or older?

Some cities are growing faster than others, making them great spots to invest in property for selling to new buyers. Work with your local Realtor to see where your neighborhood ranks among others in your areas. That way you can accurately set your price or build your offer without guessing what other comparable homes in your area are selling for.

TIGHTEN YOUR FOCUS

Here are some things to



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consider once you land on a city or neighborhood area for your real estate purchase or sale. Again, work with your local real estate professionals to work through this granular information.

- Is there access to good roads and transportation?

- How are the schools in your area?

- What is the occupancy rate for the area?

RESEARCH PROFESSIONALS

Once your focus begins to crystallize, it's time to get the

professionals involved. Find a Realtor to help you, regardless if you're buying or selling. A Realtor can step in and make things easier for you simply due to their knowledge of the area and how other comparable properties are priced in the marketplace. Call local

realty companies to learn about the commissions and services they offer. Ask your friends and family members who they have used in the past. A referral from a trusted loved one can make a big difference in how confident you feel in their services.

Negotiation Tips for Buyers

You might think that haggling is only effective for small-ticket items you find at a yard sale or flea market. The truth is, even your dream home's price is open for negotiation.

One of the keys to understanding where to start with bargaining is doing your research on the front end. The more you know about your potential home and market, the better positioned you'll be to barter with the home's sellers.

THINK OUTSIDE THE BOX

If the home you're considering is in a desirable market with limited inventory around it for sale, you may find that it's more difficult to move the seller off the initial asking price. If this is the case, all is not lost. Work with your Realtor to think creatively.

Negotiation doesn't always have to focus on the final asking price. Requesting the seller to pick up more of the closing or inspection costs or asking them to leave furniture can also be negotiated during the final phases of the transaction. More things to think about: home warranties and certain kinds of repairs.

USE AN AGENT

The market may look easy



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with all of the online resources and buying platforms at your fingertips, but nothing can replace the work and attention to detail of a qualified Realtor.

A good agent has knowledge of the market and negotiation experience. With these

skills, they can make the difference between a successful purchase and a deal that implodes.

In most cases, buyers pay nothing to use an agent because real estate commissions are covered by the seller.

NEGOTIATION NUMBER

When you're coming up with your first offer, base it on the home's value, not the list price. Your Realtor can help you understand the recent sales in the neighborhood. This will give you a good grasp on how much wiggle room

you have. If a home is priced at or below market value, you may be unlikely to pull off a big negotiation.

If it is priced above market value and has been on the market for a while, you may be able to scoop up the home at a great price.

Selling? Timing Is Everything

Common sense may tell you that spring is the best time to put your home on the market, but the data tells us buyers are willing to purchase a home at any time during the year if the price is right and it fits their needs.

But a key question remains: When exactly should you put your home on the market if you want to get the highest price? There are many factors to consider when selling your home, from the weather to home inventory to local ordinances.

Work with your real estate brokers to understand when to sell your home. They will have insights on your local market that can help you determine the best time to put your home up for sale and the best price to put on the listing.

A DAY TO REMEMBER

According to the national real estate brokerage Redfin, homes listed on Thursday tend to sell faster and for the most money compared with other days of the week. Homes listed on Thursday sold for an average of \$3,015 more than homes listed on Monday, the worst day for selling homes, according to Redfin's research.

There may be many reasons

for this, but with many homebuyers checking out homes on the weekends, ones that are posted on Thursdays may be top of mind.

BEST MONTH FOR HOME SALES

The best two-week listing window comes between the

second half of March and the first half of June, according to 2019 research by real estate website Zillow. Overall, the online real estate database found that early May is the best time of the year to sell your home. Homes nationwide listed for sale between May 1 and May 15 tended to sell for

roughly \$1,600 more than the typical U.S. home and about six days faster than usual, Zillow data found.

BEATING THE RECESSION

In a recent survey of 100 U.S. real estate experts and economists by Zillow, almost half expect the next recession to

occur in 2020. Another 14% believe the recession will hold out until 2021.

A recession may make homebuyers a little gun-shy about investing in a new home. This means selling your home before a downturn in the economy occurs may be your best bet.



Bottom Line: Factor in Fees

If you're not careful about building an accurate budget, the fees associated with your real estate transaction may be a surprise to you at closing. The best way to stay in the loop with what you're going to have to pay is working closely with your Realtor.

Your real estate professionals understand all the ins and outs of the industry, including who pays what fees and how much they run. Making sure you know your numbers is the key to you walking away from the deal in the best financial shape possible.

WHO PAYS REALTOR FEES?

This is not always cut and dry. It is common practice for the seller to pick up the cost of the Realtor, but this is not always the case. The fee is generally subtracted from the proceeds of the pending sale and are paid out to the actual listing broker. The broker then generally shares the profits with the Realtor who introduced the buyer into the equation.

That said, Realtor fees can be negotiated, split or even assigned to the buyer in certain situations. Before signing any final agreements, both sides should clearly understand who is responsible for the Realtor fees. This way, there are no surprises at the table when the sale is finalized.

HOW MUCH ARE REALTOR FEES?

According to Zillow, the median price of homes that have sold in the United States is \$230,000. Typically, you can

bank on the Realtor fee resting somewhere around 6%. On the average home sales price, 6% of \$230,000 is \$13,800, which is the average Realtor fee.

You should discuss this fee with your Realtor before engaging with their services, as some private realty groups may charge more or less. Always look for Realtors to be as transparent as possible.

If you don't feel comfortable with their pricing structure, shop around for other local professionals who will give you a clearer idea of the breakdown.

OTHER COSTS

In most cases, closing costs are not included as part of a Realtor's fees. These are the costs charged by your financial institution for managing the

transaction, as well as other fees. They can include loan fees, insurance, taxes and more.

Home inspection is generally a fee picked up by the buyer, as they are investing in having the home checked out for overall structural integrity and quality. Be sure to have a clear understanding of all costs before getting too far into the process with your Realtor.



Investing in Real Estate

When done correctly and conservatively, investing in real estate is one of the safest bets you can make.

It takes research, due diligence, smart money management and a little luck, but in the end, can be a steady stream of passive income into your retirement years. Read on for some simple tips that will help you get your real estate investment business off on the right foot.

GET YOUR FUNDING IN ORDER

Depending on how you want to start, the first step to owning real estate is defining your goals. Traditional real estate investing includes buying property and renting them out to tenants. These properties can be houses, apartments or duplexes. Which one you choose will depend on your budget and how much working capital you have to make repairs or hire professionals to help you do so.

TIME IS EVERYTHING

Traditional real estate investing is a popular way to grow your wealth, but it also comes with some challenges. It can be a time-intensive endeavor that requires you to search many listings for the right opportunity. Fortunately, there are ways to find relevant local professionals to help you, even if you're on a tight time-



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line. Check with your local realty companies to find a Realtor who fits your needs and budget.

In a crunch to improve the condition of your investment property? Call local handymen or inspectors to get quotes on

what their services will cost you. Finding the right professionals can save you time and money in the long run.

TENANT MANAGEMENT

Picture yourself in the role of landlord. Are you comfort-

able collecting rent from tenants and holding them accountable for timely, consistent payments? For those of us who do not enjoy playing that role, it can be just as effective to hire a property management professional to take care

of these duties for us. The one negative component to this will be the income you have to devote to paying these professionals, but you may find it's worth it to have the peace of mind of a well-managed real estate property.

Finding Trustworthy Partners

In an industry that is highly competitive and commission-based, it is critical to find the right professional partners you can trust to have your back during all phases of the transaction.

Who you surround yourself during the real estate transaction process can be the main difference between a good and bad experience. It comes down to research and relationship-building. Here are some tips to help you find the right people.

REALTORS

Thanks to technology, it's easier than ever before to find local real estate professionals online. But a face-to-face meeting goes a long way in giving you the confidence that a particular Realtor is right for your specific listing or house-hunting process. If you've done business with a Realtor before, even in another town, ask them to help you find a professional. Realtors are great at networking.

HOME INSPECTORS

A quality home inspector can either give you peace of mind before moving into a home. It is their job as an independent inspector to give you an honest and transparent



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assessment of your target home. Any issues they uncover during their inspection will be reported and the ultimate decision on whether or not you're comfortable with moving forward in the transaction will have to come down to you.

APPRAISERS

Real estate appraisers estimate the value of land and the

buildings on that land before it is sold, mortgaged, taxed, insured or developed. According to the career guidance website CareerExplorer, here is a list of common duties:

- Verify legal descriptions of real estate properties in public records.
- Inspect new and existing properties, noting unique characteristics.

- Photograph the interior and exterior of properties.
- Use similar nearby properties to help determine value.
- Prepare written reports on the property value.
- Prepare and maintain current data on each real estate property.

QUESTIONS TO ASK

Here are a few questions to

ask your potential real estate partners before signing any agreements with them for their services:

- What services do you offer?
- What experience do you have in my immediate area?
- Do you have any past clients I can talk with?
- What is your fee?
- What disclosures should I receive?

America's Fastest-Growing Cities

The median sale price of a home sold in the second quarter of 2019 was \$279,600, according to the National Association of Realtors.

This represented a 4.3% increase compared to the same period in 2018 and well above the market's peak prior to the housing crisis and subsequent recession of 2008.

24/7 Wall St., a financial news and commentary website, recently reviewed the largest change in median home prices over the 12 months through the second quarter of 2019.

Here is a list of the 15 cities in America with the largest variances in median home prices:

15. Farmington, New Mexico. Median home sale price 2018 Q2: \$176,100; median home sale price 2019 Q2: \$193,000.

14. Kennewick-Richland, Washington. Median home sale price 2018 Q2: \$276,300; median home sale price 2019 Q2: \$303,300.

13. Columbia, South Carolina. Median home sale price 2018 Q2: \$171,600; median home sale price 2019 Q2: \$188,500.

12. South Bend-Mishawaka, Indiana-Michigan. Median home sale price 2018 Q2: \$132,900; median home sale price 2019 Q2: \$146,000.

11. Wichita, Kansas. Median home sale price 2018 Q2:



Columbia,
South Carolina

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\$148,900; median home sale price 2019 Q2: \$163,700.

10. Glen Falls, New York. Median home sale price 2018 Q2: \$163,800; median home sale price 2019 Q2: \$180,400.

9. Atlantic City-Hammonton, New Jersey. Median home sale price 2018 Q2: \$193,200; median home sale price 2019 Q2: \$213,200.

8. Burlington-South

Burlington, Vermont. Median home sale price 2018 Q2: \$292,800; median home sale price 2019 Q2: \$324,800.

7. Beaumont-Port Arthur, Texas. Median home sale price 2018 Q2: \$153,600; median home sale price 2019 Q2: \$171,100.

6. Abilene, Texas. Median home sale price 2018 Q2: \$167,200; median home sale

price 2019 Q2: \$187,200.

5. Columbia, Missouri. Median home sale price 2018 Q2: \$186,300; median home sale price 2019 Q2: \$208,700.

4. Elmira, New York. Median home sale price 2018 Q2: \$106,300; median home sale price 2019 Q2: \$119,400.

3. Boise City-Nampa, Idaho. Median home sale price 2018 Q2: \$262,800; median home

sale price 2019 Q2: \$295,600.

2. Youngstown-Warren-Boardman, Ohio-Pennsylvania. Median home sale price 2018 Q2: \$94,400; median home sale price 2019 Q2: \$107,400.

1. Cumberland, Maryland-West Virginia. Median home sale price 2018 Q2: \$94,900; median home sale price 2019 Q2: \$117,800.