

HOMESWISER

Real Estate Tips and Advice

By ANNA CHANG-YEN | Green Shoot Media

The listing price is only the ice breaker when it comes to agreeing on the final sale price of a home. Putting in an offer that will help seal the deal is both a science and an art.

Some factors that affect the final sale price are based on readily available statistics and information, while others are best sniffed out by an astute, experienced.

THE SCIENCE

The list of factors that can determine whether you should make an offer above or below the listing price — and how far. Is the listing price fair according to your agent's market analysis? Is your local real estate market flourishing or flailing? What's down the road? New businesses moving to town or a large employer closing its doors? Is it spring-time, when the market is just starting to awaken for the year in most markets and properties for sale are plenty, or are you making an offer in the winter, when fewer properties are on the market and buyers are scarce? What condition is the property in? Is it move-in ready, or does it need tens of thousands of dollars worth of work?

Pay attention to how many days a home has been on the market. If the for sale sign has been hanging on the lawn for nearly a year, the sellers could be eager to make a deal, even if the price is lower than they'd prefer. (Be careful here, because it also could mean



they don't need to make a sale and are holding out for a high offer.)

THE ART

The black-and-white issues surrounding the pricing of a home can be much easier to deal with than issues rooted in emotion. There are many reasons buyers might list too high or too low — or turn down reasonable offers — so it helps to get as good of an understanding as you can of

the situation surrounding the sale on the seller's end.

Sellers who need to sell a home due to situations such as divorce or job loss may not have quite come to terms with letting the home go. As a result, they might list the home at an unrealistically high price.

Do-it-yourselfers might be reticent to let a home go for a steal, considering all the blood, sweat and tears they've put into it — regardless of the

actual value of the repairs.

A listing price that seems too low — especially in a seller's market — might be intended to draw multiple offers. If a listing price seems too good to be true, with no obvious expensive repairs needed, consider whether this might be the case.

The seller or his agent may not volunteer the information you need to make an artful offer. A good agent knows how to ask the right ques-

REAL ESTATE 101

Know Your Numbers

The final sale price of a home vs. the original listing price is a helpful number to know, especially for your local market. In 2015, the National Association of Realtors reported that nationwide, homes were most likely to sell for 95 to 99 percent of the asking price, at 36 percent of transactions. The next most common percentage was 100 (26 percent), followed by 90 to 94 (17 percent), less than 90 (10 percent), 101 to 110 (9 percent), and more than 110 (1 percent).

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WIGGLE ROOM

Remember that a first offer is not a make-or-break proposition. It's the first serve that could result in more than a few volleys, so unless your local market is on fire with multiple offers for most properties, you probably have room to negotiate. The seller could counter-offer, proposing a price or terms that make everyone happy.

Each of these factors, of course, is highly dependent on your local market and particular situation. A competent, experienced real estate agent is your best resource in navigating the complicated offer process to get a good deal on your next home.



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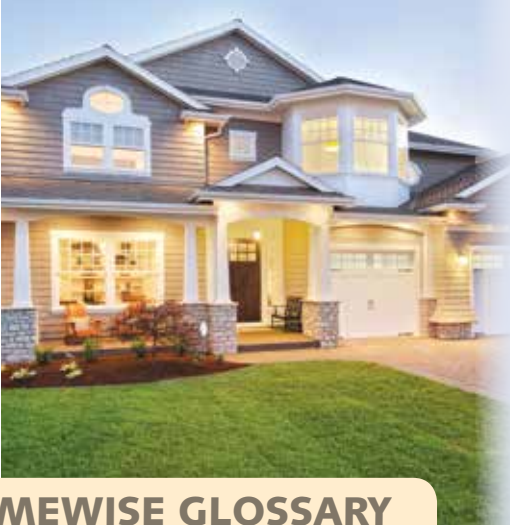
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HOMESWISE GLOSSARY

Subrogation: Replacing one person with another in regard to a legal right or obligation. The substitution of another person in place of the creditor, to whose rights he or she succeeds in relation to the debt. The doctrine is used very often where one person agrees to stand surety for the performance of a contract by another person.

SOURCE: California Bureau of Real Estate

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