

# Real Estate

YOUR HOME | YOUR LIFE



# Seller's Disclosures

**W**hen it comes to selling your home, honesty matters. The buyer puts a lot of trust into a seller to disclose problems that could impact the property's value or desirability, or the cost of repairs.

Most states have safeguards in place to protect buyers in cases of sellers fraudulently covering up major physical deficiencies. One such preventive measure is requiring sellers to fill out a comprehensive disclosure statement identifying important issues such as lead paint or mold, as well as a basement that leaks when it rains or snows outside.

Whether you're buying or selling a home, be ready to ask your Realtor about the disclosure requirements in your state. Sellers should disclose what they know to reduce the chance of legal action being taken by angry buyers. And buyers should carefully study disclosure statements to fully understand what they're walking into.

## WHAT YOU MUST DISCLOSE

Being honest on a disclosure statement requires sellers to identify only issues of which they have personal knowledge in the home. Sellers aren't generally prompted to hire an outside inspector to find issues prior to listing property on the market. That engagement will be carried out by potential buyers and mortgage lenders to protect their investment.

How different states inter-

pret this specification is where the disclosure statement varies. Laws in some states make sellers responsible for defects that they could have identified but chose to ignore.

For example, California spells out an extensive list for sellers to follow in the home transaction. A leaky roof, deaths that occurred within three years and even neigh-

borhood nuisances must all be reported on a disclosure statement, as well as potential hazards from natural disasters such as floods, earthquakes, fires and environmental issues.

## HOW TO PROPERLY DISCLOSE

Check with your real estate agent, attorney or city planning department for informa-

tion on required disclosures and local ordinances that may affect your home's value.

You also should be aware that Realtors may ask you to complete disclosure forms even if it's not required in your state. Real estate agents want to give their buyers total confidence in the decision to purchase a home. Your truthful approach to selling your home

can help quickly land buyers.

Be sure the buyer acknowledges receipt of the disclosures you report by signing and dating the forms. The same goes for statements that aren't necessarily required by the state. Signatures from the buyers and Realtor involved can protect you, the seller, once the transaction goes through.



# Sustainable Design

**S**ustainable home building and design has caught on in a world that has become more ecologically conscious than ever before.

Our attitudes toward types of materials and building techniques have shifted throughout the years, as we have made the environment, forests and wildlife around us more of a priority.

In terms of the real estate market, sellers who have invested time and money into sustainable home design strategies can benefit when it comes time to list their home. Solar panels, geothermal heating and air units, and energy-efficient appliances can all boost the value of your home and serve as major incentives for potential buyers.

## CHOOSING TILE FOR SUSTAINABILITY

Tile has always been considered an eco-friendly flooring choice, but today's technological advancements and manufacturing processes make it more attractive than ever. If you're looking for sustainable, earth-conscious flooring options for your home, choosing from porcelain, ceramics and glass mosaics can revitalize your home while also adding value.

Many tile companies make their materials out of recycled content or source from natural materials such as natural stone. This makes them



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unique and visually attractive, as well as easy-to-clean with non-toxic chemicals, fostering a healthy indoor environment.

## BUYERS VALUE SUSTAINABILITY

Buyers are seeking out homes built and designed with

sustainable strategies. The National Association of Realtors has developed a Green Designation designed for agents looking to learn about issues of energy efficiency and sustainability in real estate.

For homeowners, the products and appliances you choose to put into your home

can be the determining factors in whether or not you are making sustainable choices in the eyes of buyers and Realtors. Low-quality products with short life cycles are harmful to the environment because they require more frequent replacement. This highlights the importance of

purchasing long-lasting materials such as hardwood and tile that can last a lifetime if properly maintained.

These eco-friendly materials are not only beautiful when installed but can produce a major "wow" factor when potential buyers check out your home.

# Consider School Districts

**P**rospective home buyers have a lot on their wish lists. Size, price, neighborhood, number of bathrooms and the home's overall condition come to mind.

For buyers who either have children or are planning to have children soon, that list can be topped by the school district within which the home sits.

The quality of the nearby schools can have a major impact on a home's asking price. "Location, location, location" is the old standby motto in the real estate profession, and living in a great school district can certainly increase the current and future value of a home.

## HOW TO FIND A GREAT SCHOOL DISTRICT

Buyers looking for top schools will need to conduct some research on their own to make sure they're getting what they want out of a district. This means looking up school performance ratings and awards, which can be found online through state and federal report cards.

You can also ask your Realtor for this type of information, as they will likely have updated information on hand as a marketing tool. Remember that higher scores on state rankings are important, but so too is how you feel about a school's location, teaching staff and overall educational infrastructure.

Talk with parents who have

students in your target school district. Ask them about teacher-to-student ratios and the overall educational experience. When it comes to knowing how children socially and academically advance through a particular school, you want to know that parents are an engaged part of the process.

## INVESTMENT PROTECTION

Buying a home in a stellar school district can be a great choice for real estate investors or buyers who plan to never raise children. That's because a home's overall value is more likely to sustain healthy growth if it's located in a quality district.

The National Association of Realtors reports that proximity to quality schools is one of the most influential factors in a buyer's decision to purchase a home. A 2014 study, in fact, found that 29 percent of home buyers listed school quality and 22 percent listed proximity to schools as deciding considerations.

Another recent study found that buyers can expect to shell out \$50 more per square foot for homes near good schools. These numbers underscore the significance of considering the school district when it comes time to make an offer on a home.



# Declutter Before Selling

**W**e all know that curb appeal plays a vital role in enticing potential home buyers to take a closer look at a house. But what about interior appeal?

How helpful can a great-looking exterior be if a buyer is walking into a disorganized, cluttered home?

Having a tidy, visually appealing interior space is crucial in pulling off a quick sale. Making your home look better from the inside out should be a goal before you even put your home on the market, especially if you are still living in your home while trying to sell it.

Realtors may be asking to show your home at all hours of the day or evening, so it's best to be prepared with a space that is easy to quickly clean up and organize ahead of showings. Achieving this starts with the amount of household items taking up room in your home.



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## REDUCE THE CLUTTER

Keeping a home dusted and cleaned is one thing, but making it free of unnecessary personal belongings and collectibles is another. Shelves and closets that are full of stuff can be eyesores to potential buyers.

Start your interior overhaul by weeding through these types of items. Here's how:

- **Pick a room, any room.** Tackle one room at a time during an overhaul. Start in the room that buyers will see first, putting yourself in their

place. What do you see that could distract potential buyers from the overall quality and design of your home? Make a checklist of actions you will take to spruce the place up.

- **Keep, trash, donate or sell?** Gather some boxes and trash bags, and start organizing your household items. Having designated collection points will help you stay on task and find a home for each

item. Don't let your "donate" bag sit in the garage. Plan to take it to your local donation organization today.

- **Organize what's left.** You can't realistically reduce your clutter by 100 percent, but you can make major progress in decluttering your space. Take what's left and give it a place. Organize your items in a streamlined way to make rooms seem larger than they actually are. Give your buyers

something positive to remember — a clean, appealing home.

## SUSTAINING AN ORGANIZED SPACE

It's important to not let your hard work to go waste. You must make a commitment to keep your home organized in the coming weeks or months that it will be on the market. Make it a family effort by asking your

spouse and kids to do their part. Keep things tidy so you're not in a mad cleaning rush every time your Realtor asks to show your home.

Overall, your home does not have to be continuously deep-cleaned and free from decoration. Your main goal is to allow prospective buyers to visualize themselves in your space, which will convince them to buy. A decluttered, clean home can do the trick.

# Realtor Agency Relationships

**T**he relationship with your real estate professional is crucial to you meeting your goals.

You want to build a positive bond with your agent and agency in order to feel confident about your potential sale or purchase.

Achieving this goal isn't possible until you understand who you're dealing with and how you can best work together throughout the process. Different types of agents may have varying legal responsibilities when it comes to you and other parties in a transaction, so it's important that buyers and sellers ask upfront what type of partnership they are entering into when hiring an agent.

## REALTORS

Realtors can serve either as a seller's representative or a buyer's representative. A seller's agent is hired by and represents the seller, a relationship that is usually made official through the creation of a listing contract.

On the other side, a buyer's agent is hired by prospective buyers to represent and guide them in a real estate transaction. The buyer's representative owes what the industry refers to as fiduciary duties to the buyer, meaning that the buyer's best interests must be considered at all times.

## DISCLOSED DUAL AGENT

Dual agency is a relationship requiring the brokerage firm to represent both the buyer and the seller in the same real estate transaction. As opposed to the aforementioned representative engagement, dual agents owe limited fiduciary duties.

All parties must give their informed consent of such a relationship because of the potential for conflicts of interest in a dual-agency relationship. In many states, this consent must be in written form.

## NON-AGENCY PROFESSIONALS

Some states permit a licensed real estate professional to hold a non-agency relationship with a consumer. The legal requirements of these relationships vary considerably from state to state, so be sure to check the duties owed to the consumer in such situations in your state.

No matter what relationship you enter into with your real estate professional, make sure you are protected and that any agreements are documented on paper. Request copies of all documentation to protect both yourself and the agent.



# Homes at Risk

**D**o you know if you live in a natural hazard zone? This designation can play a major role in determining your home's value as well as how long it will take to sell.

About 35.8 million U.S. single-family homes and condos are located in counties with high or very high risk of a natural hazard, according to RealtyTrac's 2015 U.S. Natural Disaster Housing Risk Report.

What is considered a natural hazard? Hurricanes, wildfires, tornadoes, earthquakes and floods all fit the designation — and their chance of occurrence can impact the housing market more than you may realize.

RealtyTrac's report found an estimated \$6.6 trillion of housing stock at risk, including single-family homes and condos across the nation. That is a major portion of the housing market that requires all parties in a real estate transaction to do their homework.

## WHY IT MATTERS

Buyers, sellers and investors can benefit from knowing natural disaster-related information because it can help them protect their money and health. A home is in most cases the biggest financial asset a person has, making awareness of potential threats critical.

And as a buyer or investor, you don't have to wait for a disclosure statement to know if a home is in a potential danger zone. This information is



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widely available online and even through mobile apps.

Even if finding out about potential dangers doesn't sway you from purchasing a home, it can help you make a better-informed offer. It also can help buyers be prepared in terms of purchasing appropriate insurance coverage. Family safety

and emergency plans can be effectively built, depending on the type of disaster for which the area is at risk.

## BY THE NUMBERS

The states with the most homes in the high or very high risk categories, according to the RealtyTrac report:

- California (8.4 million);
  - Florida (6.7 million);
  - New York (2.4 million);
  - New Jersey (2.3 million);
- and
- North Carolina (2.3 million).

The report also found that home values tended to be highest in the areas with the

highest risk for natural hazards. Homes located in high-risk counties for natural disasters had an estimated market value of \$191,244 compared to the average home value in low-risk counties at \$151,793. Knowing your potential home's designation can help you make a smart offer and purchasing decision.

# Selling During the Holidays

‘**T**is the season to be jolly, especially if you can successfully sell your home during the holidays.

You might figure that potential home buyers take a break during this time of year to focus on Thanksgiving festivities and Christmas celebrations.

The fact is that the holidays can be the ideal time to sell your home due to a number of factors.

Buyers who are looking during the winter months are often motivated to find their new home. And with less competition on the market, sellers can put their homes into prime position.

## FINANCIAL FACTORS

There are two main financial drivers that may sway buyers to purchase homes during the holiday season. Interest rates for mortgage loans tend to dip at the end of the year. This could be motivation enough for buyers looking to lock in a great rate for their new home.

Purchasing a home is also a great tax write-off for buyers who may be eligible for credits, such as deductions for home mortgage interest and real estate taxes. Purchases must be finalized before Dec. 31 for tax breaks to kick in the following year. And who doesn't love saving some money during the holiday season?



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## DECORATIONS & SHOWING POWER

A home that is tastefully decorated for the holidays can help woo potential buyers. That's because they can visually put themselves into the home as an owner, giving them the sense of what it would be like to own your home during the holidays.

Complement the sights and scents of your interior with a spruced up yard. Tackle any simple fixer-upper projects like putting fresh paint on your shutters or organizing your shed. Add seasonal plants to your flower beds. Every detail matters when trying to sell your home during the holidays.

## DECIDING IF IT'S RIGHT FOR YOU

Putting or keeping your home on the market during the holidays is a personal decision. Doing so may not be logistical-ly possible for you if you think you will be overwhelmed at the prospect of showing your home during the busy holiday season.

Remember that you will still be able to host holiday parties and celebrations even if your home is on the market. You can work with your Realtor to block off a few days that won't work for showings for you and your family. This way your Realtor can prompt buyers to check out the home on days that fit your schedule.