

Dear Friends,

It is a gross understatement that we are living in a very unique time with regards to the economy and especially, real estate. This means that it may be necessary to do some unconventional thinking about our real estate assets.

For Sellers:

If you don't have to sell during this "buyer's market" then we suggest that you don't even try. However, this is the time to draw up a plan for when you think you will be making a move, e.g. 3 years. Here are some ideas:

1. If you haven't pulled any equity out of your property, now may be a good time since the rates are very low.
2. Use your HELOC (home equity line of credit) to re-invest in your current property or to buy a "bargain" investment property.
3. Make a plan to do one major home improvement per year, e.g. kitchen redo, landscaping, new patio cover, etc., that will actually give you a return on your investment when the market turns around in your favor. So often, we see sellers scramble at the last minute to upgrade their home days before they put it on the market. Why not enjoy the upgrades yourself for awhile?
4. Since this is a great time to buy, and you really need more space (more bedrooms, more yard, more amenities, etc.), take the time to configure your bottom line on a selling price. Remember, you will be paying less for the next house, which means lower payments, and lower property tax. **Remember:** When the value of your house increases, the sale price of the property you want to buy will also have increased.

For Buyers:

As you may have heard, now is the time to buy. Interest rates are low, prices are low and negotiations (especially when you use us) are in your favor. Here are some ideas:

1. The best loans are going to those with good credit scores, so get your credit together. Pay off your credit cards, but DO NOT cancel the account. You want to have an account history.
2. Do not take out any loans (new car) or open any new credit account while you are planning a home purchase. You can do these things after you close the deal on your new home, not before.
3. Stay focused on the location and home style that you want. Do not be swayed by incentives such as vacations, big screen TVs and free upgrades. Instead, work with your realtor to get concessions such as:
 - Closing costs paid for by the seller
 - Points paid down on the loan by the seller (reducing your monthly payment)
 - Home owner association fees paid for 1,2, even 3 years
4. Since 100% loans are practically non-existent now, look for sources for the down payment you will need. Family is the most common source for the down payment. Borrowing from a 401(k) may be another option.

So, there's good news and bad news for both sides. The good news is that the real estate market is cyclical and will become a "seller's market" again. The bad news (for the buyer) is that the market will favor the seller again at some point. But no matter what position (Seller or Buyer) you are in, please give us a call so we can help you answer some questions about your immediate and/or future plans.

"Hire an Executive... and Get It Sold!"

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Realty Executives