

# Real Estate

YOUR HOME | YOUR LIFE





# Time to Go Online

**Y**our real estate agent is doing it. So why don't you do it, too?

Fifty-five percent of agents spent between \$500 and \$2,000 in online marketing last year, according to Realtor.org. You, too, can promote your home with your burgeoning online presence, and you won't have to pay a dime.

Word of mouth is always an effective tool in trying to sell your home, and with the way social media has overtaken the way we network with each other, promoting your home through Facebook, Twitter or other social media sites might just hook the right buyer.

A good personal marketing plan can help supplement the professional marketing plan if you work closely with your Realtor.

## ONLINE IS KEY

We are in a different era of home buying. Smart shoppers do most of their due diligence online, and why not?

Most real estate brokers list their properties across various websites because that is where buyers gather to get the scoop on new listings. Key information like square footage, lot size, number of bedrooms and nearby school dis-



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tricts is all available at the click of a mouse or swipe of a finger.

Real estate experts say their industry will only continue to become more entrenched within technology in the future.

## SOCIAL MARKETING

Facebook, Twitter and

other social marketing sites connect people across the globe. Most likely, you have friends of friends on your Facebook feed or your Tweet Deck.

Consider posting a couple of photos of your home, along with your asking price, and hit that send button. You never know who may have a friend, family member or co-worker looking for a home just like yours.

## EMAIL

Take a look at your email contact list. This may be the key to selling your home.

Choose about 10 to 20 of your online acquaintances and reach out to them with a general message detailing your desire to sell your home. Send them a photo and bits of information related to your home that you find most

appealing.

The best thing about sharing information digitally is the ease in which it can be shared. If one of your targeted friends or family members has someone in mind looking for a home, all they have to do is forward your information along.

A little networking – even online – can go a long way toward securing a buyer.



# Mortgage Fraud Declining

It is an unfortunate sector within the real estate industry – a tiny number of dishonest buyers, agents, lenders, sellers and borrowers who are in it only for the money.

Despite new federal and state regulations and the vast majority of real-estate professionals with outstanding reputations, mortgage fraud still hits a portion of the United States population each year. It accounts for \$4 billion to \$6 billion in annual losses, according to the National Association of Realtors.

These deceptive acts can encompass many aspects of the real estate

market and are perpetrated by those we entrust with our money, time and confidence. Fortunately, they're happening less often recently.

## ON THE DECLINE

As lending laws have tightened since the housing market crashed five years ago, fraud has significantly decreased.

The Financial Crimes Enforcement Network reported a 25-percent reduction in the number of suspicious activity reports last year – 69,000, which is down from 92,000 in 2011.

These and other numbers prove that most agents, lenders, sellers and borrowers execute their end of the bargain with honesty and integrity. Unfortunately, most is not all, and some parties will sacrifice their moral

code for financial gain.

## ELABORATE SCHEMES

Inflated property values and identity theft are two examples of mortgage fraud, but there are many more.

Realtor.com identifies a slew of ways that buyers, sellers and banks can be duped, including fraud in the areas of occupancy, income, employment and appraisal.

Buyers and sellers who falsify information to benefit their side of the transaction can face serious fines or even jail time. Lenders and agents, too, can commit mortgage fraud, as they often have insider information on the mortgage application process and can sometimes skew the numbers without the knowledge of the seller or borrower.

## PROTECT YOURSELF

It is important to enter any real estate transaction with an analytical mind and a respectful level of cautiousness.

You should trust your mortgage lender or agent, but don't be afraid to ask questions as the process evolves. If something seems amiss, bring it up. And if you're unsatisfied with the response you receive, conduct some research on your own time and verify the information you are given.

All of the intricacies of buying or selling a home can be intimidating, so arm yourself with knowledge of the mortgage application process, industry trends and interest rate projections.





# Take Design Outside

**W**e may live inside, but the back yard is where we play. And it's one of the first parts of your home that prospective buyers will want to see.

Each back yard has potential to shine. The hard part is capitalizing on its best features and creating a wonderful getaway, just feet from your back door.

If your yard is large, you may have room for more landscaping or decorative touches. A small yard can be enhanced by vibrant grass or tall birdhouses that help extend the space.

## THE BACK YARD

Buyers, particularly younger ones, are obsessed with back yards. It is where they entertain throughout the springtime and summer.

Parents with young children want plenty of room for their little ones to roam. And buyers with pets would much rather have a place for their dogs to exercise than to drive two towns away to the nearest dog park.

You can make a major impression on those viewing your home by putting a little extra time into maintaining and enhancing your back yard.

## A PLACE TO RELAX

What's better than sitting out in your backyard underneath the

stars? How about sitting around your new decorative fire pit?

Add a little warmth to your entertaining space by building a pit, which can be both in-ground or above. Add a large grate for cooking hot dogs or hamburgers and you really have a hotspot.

Another project that will add value to your back yard is a patio, requiring only a weekend of your time, some decorative pavers, sand and your creative touch.

Pavers come in all colors, shapes and textures, allowing you to infuse your personality into your new patio.

## FENCE IT IN

If you live in town, installing a composite or treated lumber fence can pay major dividends – both now and when you're ready to sell.

Buyers like their own space, and a fence accomplishes this by blocking off neighbors' dogs and random walkers-by. People with pets definitely have a fence on their list of must-haves when searching for a new home.

You can have one installed by your local home improvement store, a local fencing company, or take on the project yourself. With a little sweat equity and a few hundred dollars, you can have a beautiful fence up in a weekend.



# It's All in the Price

**T**hat's my price and I'm sticking to it. If you possess a similar mindset, you may be watching potential buyers walk right past your home for months.

Home sellers make the common mistake of choosing how much they think their home is worth without giving any consideration to negotiating.

Ultimately, it is the market that will determine the final selling price, not the seller's intuitions or hopes.

Trust your local realtors to conduct a comparable market analysis of the homes in your area that fall into your same square footage and lot size. Seeing what other houses are selling for will help guide you in your pricing strategy.

## START CORRECTLY

Some sellers are tempted to start with a high price and then lower it if they don't get much interest from buyers. But this can be a big mistake.

Your home will get the most interest in the first few weeks it's on the market. When shoppers see your home first show up in the listings, or neighbors see the "for sale" sign in your yard, that's when people are going to be talking the most about your home.

If you start with a sales price that's too high — even slightly so — some potential buyers are going to lose interest when they think you're asking too much for the house. It's better to start with a realistic, fair market price for the house rather than keeping your fingers crossed for an early, rich offer.

## THINK OF ONLINE

Occasionally it makes sense to price your house in a way that will get the most views when buyers are searching



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for real estate online.

If you're thinking of asking \$255,000, for example, that would put it slightly out of range for people who see "up to \$250,000" as a search option on a website or mobile app. With so many of today's real estate buyers using online search tools, it makes sense to consider how they search when pricing your home.

## FULL PRICE

Sellers should not expect to receive full listing price for their home,

according to the National Association of Realtors.

The group found that of the homes that took four or more months to sell in the past year, almost half of their owners accepted less than 90 percent of their asking price.

In fact, some real estate agents working for buyers advise their clients to start with an offer that is 85 to 90 percent of what the seller is asking.

## SAVE TIME

By pricing your home correctly

from the get-go, you can save yourself some major headaches — and time.

Realtors will let you, the seller, make the final decision on your listing price, even if they think you are thousands of dollars off from what buyers will offer.

But heed their advice. They know the market and are focused on sharing their knowledge with you to guide your decision.

An overpriced home can waste loads of time for both you and your agent if you are forced to drop your asking price every month.

# Best Timing: Fall or Spring?

**F**or both buyers and sellers, the real estate market can be a confusing one to enter.



It's difficult to identify the right time to jump in. In most parts of the country, spring and summer are obviously the hot seasons for buying and selling. But listing or looking in the fall can have its benefits, too.

Before deciding when you should list or buy, Realtors recommend that you conduct thorough market research on your own, develop a hard budget or asking price, and be prepared to negotiate.

A well-prepared buyer or seller can be the difference between a home sitting for months or being snatched up in weeks, no matter the season.

## SPRING INTO ACTION

The springtime is traditionally the height of the real estate listing market, with buyers and sellers awaken-

ing from the doldrums of another cold winter.

According to the National Association of Realtors, most sales take place between April and July.

Sellers work hard through the winter months to renovate and remodel their homes to put the best foot forward come spring. Buyers prepare, too, by pinching pennies and growing their savings accounts for the up-front costs of a real estate transaction.

And that can be a smart move, as property prices are often at their highest during the spring season and owners are less likely to negotiate early in their listing period.

## FALL

The fall may not be quite as popular in terms of listing and buying homes, but it has its advantages.

For sellers, the competition is far less fierce during the fall, allowing them greater market prominence and listing power. Their prospective pool of buyers may be smaller than in the spring, but those who are looking for homes in the fall are usually serious suitors.

Whether they are relocating or facing extenuating circumstances that require an untimely move, buyers looking in the fall often have motivation to purchase quickly.

Sellers can benefit in the fall from having less competition and more serious buyers.

If you find the right agent to list your home with, they'll give you the best chance to sell your home quickly — and for top dollar — any time of year.



# About Home Warranties

**A** home warranty can be a security blanket of sorts — and a comfortable one at that.

As many forward-thinking homeowners have discovered, a home warranty is a valuable tool in helping overcome early ownership challenges in the face of major mechanical or appliance breakdowns.

But it's not just buyers who benefit from home warranties. They are also designed to protect the seller and the agent in the face of major needed repairs.

Experts urge you to do your homework on warranty companies and to consider the addition of an insurance policy in your transaction.

## A COMFORT LEVEL

Warranties offer a measure of financial protection if certain appliances or aspects of the home break down during a particular amount of time of new home ownership.

They also provide a comfort level to all parties involved in a real estate transaction. Buyers can take solace in the fact that they will be relieved of major, unexpected expenses.



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Warranties may reduce a seller's liability, while also strengthening the reputation of the agent for their efforts in trying to protect both sides.

## THE BASICS

Typically ranging in price from \$300 to \$800, warranties are a relatively inexpensive purchase when considering the overall price of a home.

The policies usually require homeowners to contact the company when something goes wrong, and they send out a repair person to give an evaluation. All companies are different in the way they do business, though, so do your research on the various ones in your area.

More than likely, your local real estate branches will pair with local providers, so by

asking around you should be able to find out if the warranty will be a smart purchase.

## READ THE FINE PRINT

Warranties are only as legitimate as they are drafted to be. Some warranty companies are more respected than others, so be sure to read the full warranty contract before sign-

ing it and attaching it to your home.

Commonly purchased by sellers as a way to entice a buyer, some new homeowners are not able to fully evaluate the policy or research the company.

The Better Business Bureau recommends that buyers ask for the company name in their formal offer and follow up with thorough research.



# Beautify Your Bathroom

The bathroom is a place of peace and serenity. It is the room in which owners decide to do a little pampering in homes across America.

Expensive pampering, that is.

Remodeling Magazine's Cost vs. Value Report prices the average upscale bathroom renovation project at more than \$50,000. The average mid-range remodel, according to the same report, is \$16,000.

And it pays off. A major bathroom remodel can return a nearly 60-percent return on investment, according to the National Association of Realtors' Field Guide to Remodeling.

## THE BREAKDOWN

So where does your money go during an average remodel? The National Kitchen & Bath Association breaks it down like this:

**Labor:** 20 percent

**Cabinetry and Hardware:** 16 percent

**Fixtures:** 15 percent

**Faucets and Plumbing:** 14 percent

**Countertop:** 7 percent

**Floor:** 9 percent

**Doors and Windows:** 4 percent

**Walls and Ceiling:** 5 percent

**Lighting and Ventilation:** 5 percent

**Design Fees:** 4 percent

**Other:** 1 percent



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## SKYLIGHTS

The last thing you want to see when stepping out of the shower is gawking neighbors. But without windows, we lose that beautiful, natural sunlight.

Enter skylights.

Relatively inexpensive to install if you find the right

contractor, skylights can absolutely flood your new and improved bathroom with stunning light without the feeling that you're being watched.

With a variety of sizes and designs, you have an open canvas to choose from when considering which skylights

will best complement your bathroom.

## BE VERSA-'TILE'

From glass to ceramic, and stone to metal, tile is all the rage in bathroom remodels.

Large glass tiles serve as perfect shower tiles no matter

the color scheme you are trying to accomplish.

Smaller mosaics – although a little trickier to install due to the amount of time individual ones can take to cut, mortar and grout – are the perfect accent pieces to showers, walls, tubs and even unique mirrors.