

Selling Your Home in Today's Market

By Carla Caldwell

In Atlanta's popular Buckhead community, a small 1940s colonial-style home recently sold for \$480,000—far less than the \$569,000 asking price. The seller was disappointed, but actually relieved.

A whole year had passed since he'd accepted a job and bought a home in Florida—expecting a quick sale in Buckhead at full price.

It wasn't that long ago that similar homes in the neighborhood were snatched up in days at far higher prices.

But today's market is vastly different. As a result, the young couple who bought that home in Buckhead got a great deal. They held out for a lovely home in their price range and in their favorite Atlanta neighborhood—and scored. They also obtained a loan at an interest rate far lower than they could have managed as recently as last year, with interest rates holding at historic lows.

Similar stories are playing out across the county as buyers find themselves in the driver's seat. And while this is good news for buying a home in your new location, it can be challenging if you need to sell a home first.

Sellers can, however, increase their chances of a favorable outcome by



The historic Bloom Mansion in Trinidad, Colo. Photo by Matt Iden, courtesy of the Colorado Tourism Office

using some common sense and listening to the advice of real estate professionals.

Price

Perhaps the most important thing to consider is price.

Price sells. It's that simple, according to the National Association of Realtors. Sellers who want a quick sale must be realistic about the asking price. Find out what comparable homes sold for *recently*. Find out how long those homes stayed on the market. Sellers who aren't in a hurry to sell can be more flexible. But, if a quick sale is needed, Realtors suggest pricing a house on the lower end from the beginning, rather than dropping the price later. Buyers tend to lose interest in a home the longer it stays on the market—unless the price is reduced substantially. That is something you will want to avoid, if possible.

Also remember that most reputable banks and companies that offer home loans won't loan potential buyers more money than the home's value. If homes in your neighborhood have dropped in value—and that's common across the country—sellers may

find that they are asking more for their homes than lenders will provide for its purchase.

Curb Appeal

With so many houses on the market, a home has to look its best. Paint the shutters and front door. Plant flowers. Keep the grass cut in warm months, and the snow shoveled away from sidewalks and driveways in cold weather. Make outdoor repairs. Many potential sellers make the mistake of making repairs just on the inside, yet many potential buyers make a decision on whether to look at a house based on a quick drive-by. If the light fixtures or shutters are crooked, right them. If lights are out, replace the bulbs. If the mailbox looks battered and worn, replace it or paint it. Something as simple as replacing unattractive house numbers can make a difference.

Do this simple test: drive around your neighborhood and use a critical eye to really look at your neighbor's homes compared with yours. Think about your coming house hunt and think about what makes you want to go inside a potential home. Use the

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same test when it comes to the inside of your home, as well.

De-clutter

Anyone who has ever watched HGTV (Home and Garden Television) knows about the need to de-clutter when putting your home on the market. People tend to want the most from their square footage. A cramped and cluttered house will give the impression that your house is just not large enough—and can send potential buyers right out the door. Children's toys are often the culprits. If you have children, it's only fitting that you've filled your home with colorful playthings. But some potential buyers may not have children. Potential buyers need to be able to imagine their things in your house. Realtors sometimes recommend moving items that can be stored away at home into a storage facility elsewhere while you are showing your house.

Depersonalize

Sure, family photos can be warm and fuzzy, but they can also collect dust and put your stamp too firmly on a house. Again, buyers need to be able to imagine the house as their own. Too many of someone else's personal items can make that difficult, if not impossible.

So take the collection of framed family photos off the coffee table or piano. Store them safely until you get settled into your new home. And you may adore the sight of your china dog collection in the living room, but it only serves to draw potential buyers' attention to it, and away from the fabulous features of your home.

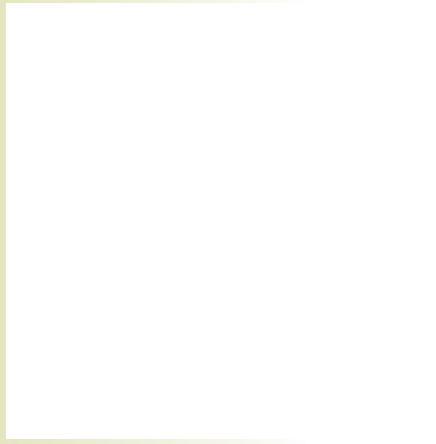
Staging

Not every potential buyer will warm to your personal choices in furnishings, or even the way you have items arranged. And, if your taste leans toward, let's say the "eclectic"—a zebra-print couch, for example—perhaps you may want to use a professional stager who can select and arrange furnishings to appeal to a wider audience.

Stagers can do everything from

rearrange the furniture to bringing in an entire house of furnishing down to bed linens and bath towels. Their prices vary, as well, with some charging a few hundred dollars and others charging several thousand. Figure out what you can get for your home with their services versus without, and see if the cost will be worth it.

And before you protest the thought of



Japanese Garden, San Francisco, California, photo by Lynda Modaff

changing your home to please others, remember that it's not personal, it's an investment. And putting your best foot forward when trying to get top dollar for your investment will only help you make more money to use in your new home.

Don't Give Up

But most importantly, don't throw in the towel, so to speak. Follow the advice of professionals. Price your home to sell. Make repairs and get rid of clutter, or at least store it elsewhere. Or, consider holding off putting your house on the market, if you can. One option is to rent out your house until the market improves.

Rent Versus Sell

If you're considering renting out your home, find out what comparable homes are renting for in your area. If the difference would have you making up several hundreds of dollars each month for your mortgage payment, you may want to go ahead and sell. If you think you may come back to the area or if you're confident the housing market in your area will improve in the next few years, you may want to hold on to your invest-

ment a little longer.

Do consider both tax breaks and tax burdens when renting out your home. While you can offset the rental income with tax breaks on its depreciation, you could be taxed on the whole profit you make if you decide to sell without meeting the capital gains tax requirements.

Also consider to whom you'll be renting your home. Many military families like to rent out only to other military families. There seems to be a "comfort zone" when dealing with other service members, and the idea that you have addi-

tional possible consequences (through the military) for service members who do not pay their rent or who cause damages to your house, may be appealing as well.

If you do decide to rent out your home, consider what's important to you at the house. If you put a lot of money and work into your landscape, consider hiring a lawn care service to make sure your investment stays in good shape. If the thought of bugs or mice in your house horrifies you, consider paying for pest control services while you are gone.

Tenants may be wonderful, but they cannot be expected to put the same care and attention in your home as you would. And offering such services may make your home more appealing to a potential renter.

The Last Word

Everything goes in cycles. Before we know it, the seller will again be calling the shots. ●

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Bringing the Dream of Homeownership Within Reach

Courtesy The National Association of Realtors

As part of its plan to stimulate the U.S. housing market and address the economic challenges facing our nation, Congress has passed legislation that grants a tax credit of up to \$8,000 to first-time homebuyers.

Here is more information about how the 2009 First-Time Home Buyer Tax Credit can help prospective homebuyers become part of the American dream.

Who Qualifies?

First-time homebuyers who purchase homes between January 1, 2009 and December 1, 2009. To qualify as a “first-time homebuyer” the purchaser or his/her spouse may not have owned a residence during the three years prior to the purchase.

Which Properties Are Eligible?

The 2009 First-Time Home Buyer Tax Credit may be applied to primary residences, including: single-family homes, condos, townhomes, and co-ops.

How Much Will the Credit Be?

The maximum allowable credit for homebuyers is \$8,000. Each homebuyer’s tax credit is determined by two factors:

- The price of the home—the credit is equal to 10 percent of the purchase price of the home, up to \$8,000.
- The buyer’s income—single buyers with incomes up to \$75,000 and married couples with incomes up to \$150,000—may receive the maximum tax credit.

If the Buyer(s) Income Exceeds These Limits, Can He/She Still Get a Credit?

Yes, some buyers may still be eligible for the credit. The credit decreases for buyers who earn between \$75,000 and \$95,000 for single buyers and

between \$150,000 and \$170,000 for homebuyers filing jointly. The amount of the tax credit decreases as his/her income approaches the maximum limit. Homebuyers earning more than the maximum qualifying income—over \$95,000 for singles and over \$170,000 for couples are not eligible for the credit.

Will the Tax Credit Need to Be Repaid?

No. The buyer does not need to repay the tax credit, if he/she occupies the home for three years or more. However, if the property is sold during the three-year period, the credit will be recouped on the sale. ●



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