

## **FAQ's and Facts about Purchasing and Selling your property**

Out of all the purchases you make with in your lifetime, Real estate will be your biggest. But how do you find a property, choose between financing options or even begin to think about selling the property you already have.

An independent survey reported that 84% property buyers would use the same Realtor again. But what exactly makes a REALTOR a REALTOR, according to the National Association of REALTORS you must be a member and have a real estate license. You must uphold a strict code of ethics ( [code of ethics](#) ), be well versed in the process of buying and selling real estate, and treat all parties to a honest and beneficial transaction.

When you first start to look you will want to ask yourself a couple of questions. First, will the area provide the environment and investment you are looking for? Second, will the investment have grown in value when I am ready to sell? All of these questions are things a REALTOR can help you with and here is how:

1.) **How to determine your buying power**~ By supplying your REALTOR with some basic information, your available savings, income and current debt, they can equip you with the best qualified lenders who determine your financial reserves plus your borrowing capacity.

2.) **Assisting you in your selection process**~ Not all properties are listed and available to everybody. REALTORS provide alternative investigations and provide a variety of informational resources such as utilities, zoning, schools, etc.

3.) **Negotiating the deal**~ Negotiating factors include but do no limit to price, financing terms, date of possession and the inclusion or exclusion of repairs, furnishing and equipment. First and foremost your REALTOR will advise you as to which inspections are recommended and required. During the purchase agreement you should complete the appropriate inspections before you are bound to complete the purchase.

4.) **Provides due diligence during the evaluation of the property**~ Your REALTOR will provide you with qualified professionals who, depending on the area, will inspect for termites, dry rot, asbestos, faulty structure, roof condition, septic tank and well tests, to name a few. Written reports will be presented to you, with a preliminary report on the title of the property. Your title announces your ownership, rights of access and previous owners.

5.) **Walkthrough and Property Closing**~ Through out your transactions your REALTOR has provide you with all the up to date information and made the process go pretty smoothly. When closing on your property this will be no different, to make sure everything goes accordingly your realtor will be there every step, making sure everything in the contract is clear and no conflicting problems arise.

Plan a final walkthrough with the seller and review the settlement statement prior to attending the property closing. The settlement statement will account for all the funds in the transaction. The seller's statement will tell how much they are paying in property closing costs, the payoff of their mortgage, and the balance due to them. Your side tells what your closing costs on the property purchase will be, the mortgage amount and the amount due from you.

A final walkthrough gives you the assurance that the property is ready. Any work required by the buyer's inspection should be completed by this time in order to avoid a potential delay in the closing, or a last minute scramble for a special agreement to complete it later.

### **Selling your property**

With the stress of overseeing the sales process, answering phone call and questions day and night, or giving a tour of your property 24 hours a day, 7 days a week. Your real estate agent works as a filter between you and the prospective buyer reducing your involvement to a minimum, taking care of everything in the process. REALTORS have market knowledge, experience, the Multiple Listing Service to help guide them through the process.

- I.**     **Establishing your Property Value**~ With the value of properties constantly changing, figuring out the value of your property is crucial. You not only want to attract buyers but ensure that you have not under-priced your home. There are three different ways of determining the value of your property.
  - i.**     **Cost approach**~ This is a method where the appraiser looks at the current cost of constructing the structure, similar to the one in question. They take the average cost for the structure in a similar neighborhood, with similar quality of construction. There estimate is based on the current cost of construction. Typically, this approach is more valid in relation to new construction.
  - ii.**    **Income approach**~ This method is the complete opposite when looking the value. When approaching with this method an appraiser would determine the current market rental for properties similar to yours, then using a reasonable return on investment, calculate the homes estimated value.
  - iii.**   **Market approach**~ This method makes the most commonsense, and is the most used to determine the property's value. It takes what similar houses have actually sold for and determines that is what your home is worth. Using recent comparable home sales is a prerequisite to establishing a good value, since prices change fairly quickly in the market.

**II. Preparing your Property for Sale~** Not everyone taste and styles are the same, and when preparing your property for sale you need to take in consideration that any repairs or cosmetic work will significantly enhance the salability of your property. Resetting the canvas for the next artist, buyers can visualize a new place more easily if they see a workable canvas. Neutralizing both vertical (walls) and horizontal (shelf/countertops) planes will also make the space feel more open, which is a high priority to buyers. Do not exclude the exterior when taking in consideration of making your property appealing to others. These investments will define the potential of the property.

**III. Where, When and How REALTOR advertise your property~** A recent study by the NATIONAL ASSOCIATION OF REALTORS showed that 82% of real estate sales are the result of agent contacts through previous clients, referrals, friends, family and personal contacts. As mentioned earlier, REALTORS have all access to the Multiple Listings Service website. This system provides instant advertising by exposing your property to other REALTORS, as well as advertising on their own website. This allows your REALTOR to prescreen and accompany qualified prospects through your property.

**IV. Evaluating proposals~** This is the beginning of a long drawn out process with a lot of possible pitfalls. REALTORS are there to support you through every step and help you write a win-win agreement that will be more likely to make it through the process.

**V. Closing the Sale~** Through out your transactions your REALTOR has provide you with all the up to date information and made the process go pretty smoothly. When closing on your property this will be no different, to make sure everything goes accordingly your REALTOR will be there every step, making sure everything in the contract is clear and no conflicting problems arise.

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