

Selling REAL ESTATE



A COMPREHENSIVE GUIDE ALL ABOUT SELLING REAL ESTATE

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Introductory

The idea of pre-construction investments when it comes to real estate is actually quite a clever way in which many have made millions.

The theory is simple really. Invest in a property before when it is in the planning stage. Those who will be building these buildings need money and investors in order to do get the building off the ground.

By investing (in many cases basically purchasing options to purchase) in the units, typically condo units in high demand areas, before the ground is broken investors often have the option of investing for pennies on the expected dollar once the building is complete and can re-sell the property at full market value once the building is complete pocketing the difference in the original investment and the asking price.

This is a win-win situation for many builders or 'owners' of the property in questions because 'pre-selling' the units allows lending agents to have confidence in the viability of the project as a money earner by selling many of the unit's sight unseen.

The benefit to investors is that they are able to purchase at a much lower price pre-construction than afterwards and can sell afterwards at the full market value (or above in some high demand and under saturated areas for real estate).

This style of investing is not nearly as glamorous to some as flipping houses. There is no beast to beauty renovations. There are, however, some things that should be kept in mind while making this type of transaction.

First of all, no real estate venture is ever guaranteed to turn a profit no matter what the glossy little brochures tell you. With the current trends in property sales, this is typically not the best environment for pre-construction investing though these things tend to change on a regular basis and that market could be looking up again in the very near future.

Second, networking is more often than not the best way to break into this particular business. There are all kinds of fly by night would be real estate

investors. The ones that manage to last are those that network with other real estate agents as well as those who have specific interests and experience with pre-construction investments. Join local groups in addition to online groups that deal specifically with this sort of investment in order to get more information more quickly.

The costs involved might appear daunting at first but they are far less than the costs of getting in over your head by not having a grasp of even the most basic 'ins' and 'outs' of pre-construction real estate investing.

Third, develop a close-knit relationship with a realtor that specializes in this particular type of real estate investing. This could prove to be the most beneficial thing you will ever do in order to insure future success. By developing the right relationship with the right realtor you can get information on new properties before they make it to the public sector.

This puts you in the rare and wonderful position of beating the competition to the punch. This gives you a much better shot at receiving the rock bottom prices that are often missed by waiting too long to make the purchase.

Fourth, be prepared to hold onto the property for a little while if you need to do so. The problem with pre-construction investing is that there are no guarantees that when the time comes you will have been able to 'seal the deal'. Things come up even when you have a buyer that is willing and eager to make the purchase.

In other words, there are times when you will need to hold onto the property for a short while and sometimes as a long-term investment. Some options in the case of long-term holds would include renting the property out to vacationers if it is in a high demand tourist area. You can use your realtor to help with that. This allows the property to be earning some income until the sale can be made.

Others decided to hold onto the property as a personal vacation home for themselves, friends, and family. In the end, the important thing is that there is a "Plan B" for the property should the deal fall through and you are left paying the monthly note.

Pre-construction real estate investing may not have the 'name in lights' appeal that other types of investing carry but it does provide a viable investment style that has the potential to bring in significant profits. The

name of the game when it comes to investing is profits so keep this in mind when considering your investment options. This is one of the forms of investing that requires (in most cases) the least amount of capital up front.

Chapter 1: What To Do When Your Home Isn't Selling

When you sell your home, the process is almost like going to a job interview. Selling a home involves presentation, which is one of the key factors that determine the outcome.

Although this may sound a bit weird, presentation is a way of life in the world of real estate. Buyers in today's market look for good presentation – many basing their final decisions on it.

If the property you are selling comes with a garage, you'll need to go through your garage before you sell your home. Chances are that you store things in your garage, which can easily pile up over time before you realize it.

If your garage is in a messy condition, you'll obviously want to clean it up. Buyers look for homes that are in perfect condition, and anything less than perfect will look bad in the eyes of the buyer.

Most homes have some truly outstanding features inside of them. You should always do your best to highlight the best features of your home, instead of just hoping that the buyer understands what they are. The ideal way to bring out the best features of your home is to use the proper lighting.

If your home is clean, you can use lighting to bring out the best features in your home, and ensure that they stand out to the buyer.

When a potential buyer first pulls up to your home; the first thing he will see is your lawn. If your lawn is trimmed and well taken care of, he will get a good impression right off the bat. If your lawn is a wreck, he may immediately pull away. To give the best impression to the buyer, you should put some thought into how things look. You can always plant flowers around the walkway and throughout the yard, which will look great to a potential buyer.

You should also make sure that the entrance into your home is a positive as well. The front door should be in great shape, as well as the entry area into

the home. You can add some plants, paintings, and rugs to ensure that your buyer gets a good impression. When the buyer walks through the entry way into your home, you should make sure that the view he or she takes in is a good one. Your biggest goal when showing your home is to ensure that the buyer is pleased.

Keep in mind that it may take some time to sell your home. These days, homes can sit on the market for months at a time before they actually sell. If you are having trouble selling your home, you can always reduce the price or simply go back to the basics. Eventually you will sell your home – although it may take more time than you think.

Chapter 2: Things To Know Before Buying A Home

If you are taking the next step in life and purchasing a home, chances are that you are feeling the pressure and the anxiety that goes along with this difficult decision.

Those who buy homes are very anxious, eager to get any information they can about real estate. Before you buy a home, it always helps to learn all that you can.

The first thing you'll need to do when buying a home is to find out just how much you can qualify for or afford to borrow. You should also make it a point to check your credit and know where you stand. If you have any problems, you should strive to correct them for you attempt to borrow money for a home. The higher credit rating you have, the lower your interest rates will be.

If you can, you should always attempt to get pre-approved by a mortgage broker or lender, as this will show your commitment to the mortgage. Also make sure to look for any payment or prepayment options that can help you take a few years away from your mortgage. Once you have been pre-approved for a mortgage and know where you stand with your monthly payments, you can start shopping for property.

When you shop for a home, you should only buy real estate that is perfect for you. Before you start looking, you should always make a list of everything you want your home to have, based on what you want and what you actually need. You should also make sure that you mark out any areas that you are willing to come to a compromise on, just in case you have to.

To assist you with finding the perfect home, you should enlist the services of a reputable real estate agent. When you meet with your agent, you will go over how much you are willing to spend, and what type of home you are looking for. Your agent will know where ideal properties are, and help you find the home that is best for you.

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Your agent will supply you with a list of potential properties that meet your budget and your features. Once you get the list, you should drive by the homes and check out both the home and the neighborhood. You should consider the appearance and location of the home, safety, access to the freeway, schools nearby, commute time to work, local shopping, and even recreational activities.

If you don't find something that interests you the first time, you should keep looking until you find the home that is best for you. Your agent can help with tours of homes and such, even tell you information about neighborhoods that you aren't familiar with. If you have chosen a good real estate agent, he will care about helping you find a home and go out of his way to ensure that you get exactly what you want.

To get the most from buying a home, you should always hire a real estate agent that you can trust. Your agent will go a long way in helping you buy a home, from finding properties to giving you pointers and tips along the way. Good real estate agents will care about your satisfaction, and will do all that they can to help you find the home of your dreams.

You can always buy a home without a real estate agent, although it will take you longer and you won't get the help and other amenities that a real estate agent will bring to the table.

Chapter 3: Selling Real Estate in a Sluggish Market

Real estate is one commodity that many depend upon to get them through the rough times in their investment strategies.

The problem is that unlike stocks and bonds, real estate is not the most liquid of assets to turn into cash when the going gets rough and money is needed immediately. This may be the one large drawback when it comes to real estate. You cannot rely solely upon real estate to get you through the financial rough patches, as real estate is a very fickle market.

There is only one way in which real estate can truly be sold in a sluggish market such as the one that is rocking the real estate world at the moment and that is not always a way that is ideal for investors. However, by offering an exceptional value to consumers, you can almost always manage to sell real estate.

This is by far not the method of choice for investors. Investors are often encouraged to hold onto properties during the rough patches by any means possible (and ethical of course) in order to get the maximum profit, they are hoping to achieve in the endeavor. When this is not possible, make sure the property being offered and sold is the best value for the money that is currently on the market.

Play up the attributes of any given property and offer several properties for sell at once (assuming you own more than one). More importantly, offer different types of properties rather than one style of property. If you own a few rentals, a couple of vacation homes, time shares, and perhaps a corporate office building or two put one of each on the market and see which sells more quickly.

Another thing that must be considered in a sluggish market is that you cannot attach an emotional value to the price of the property. This is simply bad business. No matter how much sweat, tears, and blood have gone into the property you must realize that just as it is a business transaction for you, so it is for the person placing the bid. You cannot afford to run off potential bidders by becoming insulting or feeling insulted by their bids.

Make a counter offer and see what happens rather than letting emotion rule the day. In a buyer's market there will be low offers.

There are many who make livings (like most investors are attempting to do) by buying low and selling high. This means they will make an insultingly low offer the first time around to see where the seller stands. This doesn't mean they are the scum of the earth only that they are in this for the greatest possible profit.

Do not take their actions or attitudes personally. They are not insulting you or the property only attempting to gain the most money in the process. Most businesses operate that way no matter what they claim.

Selling property in a sluggish market can be a disappointing and gut-wrenching process but it is often necessary for one reason or another. Unexpected expenses arise and money is needed when it is needed. This is after all why we make these investments in the first place, to be able to handle the unexpected twists and turns that life tosses our way.

Chapter 4: Termite Damage And Real Estate

Termite damage, no matter how small it may be, is never good for a home.

During a real estate inspection, if any termite damage is found, it will affect the outcome of the home. In most cases, the buyer is told that the seller will fix the problem. Although this may sound good to some buyers that the seller will treat for termites, other buyers often wonder.

Of course, it's nice that the seller will pay to have the termite problem treated, which will normally cost around \$1,000 or so. Even though the termites will be gone, you have to wonder about the damage to the structure.

In the more severe cases, damage to the structure can cost up to 50 times the cost of the treatment. The last thing you want is to move into a home that you know has been treated for termites, only to find the structure to be in very bad shape.

If any type of damage was done to the wooden structure of the home, you may need to get immediate repairs. While some damage may be visible, there are other types of damage that may seem invisible to the naked eye. To find out just how bad the damage is, carpets and rugs will need to be lifted, furniture and appliances moved, walls and ceilings will need to be opened, and even some types of excavation may be needed.

This is the only way to tell the extent of the damages, especially in cases of termites. If you don't inspect every area of the home, you could be moving into a home that has severe structural damage - which can cost you thousands to repair.

There could also be latent damage present as well. To determine this, you'll need to have invasive and destructive testing performed on your home, which will have performed by qualified contractors and specialists. This will help to determine the extent of the damage and the cost of any needed

repairs. This can be very costly however, although it's the only way to find and repair any latent damage.

Destructive and invasive testing can cost you an arm and a leg, although you'll need to have it done if you suspect termites or know for a fact that the home was treated for them. To protect yourself, you should always get a treatment and repair history before you purchase the home.

If you are renting the home, you'll need get written documentation from the specialist that details the damage to the home and cost of repairs.

Before you buy a home, you should always have it checked for termites. There are a lot of termite inspection companies out there, many of which go above and beyond to check the home for any type of termite damage. You don't want to buy a home only to find out that it has been infested with termites. If you have the proper inspections performed before you make the purchase, you'll know for a fact that you don't have to worry about termites or termite damage.

If the inspector or contractor doesn't find any termite damage, you should always have it documented. This way, if termite damage does exist, you'll have the documentation to back you up.

Termites can be very destructive to your home, especially if you are looking towards a log home. Termites can destroy wood in little to no time at all, which is why you should always do what you can to have your home treated as soon as you suspect any type of damage.

If you know a home has been infested with termites before - you should really make sure that the structure isn't damaged and the termites are gone before you commit to buying.

Chapter 5: Reasons To Stage Your Home For Sale

If you've been thinking of selling your investment house or your home, you should make sure that you take full advantage of home staging trends.

There are several advantages to home staging trends, which we will take a look at below.

One of the best things about staged homes is that they sell in less time. This is great news for sellers, as these types of homes will sell really fast. In most cases, you won't have to worry about your home staying on the market for a long period of time. Research has shown that staged homes sell nearly 40% faster than other homes on the market.

Staged homes also sell for more money. Homes that have sat on the market for a long period of time will normally get lower offers due to the fact that home buyers will begin to think there is something wrong with the home. Staged homes on the other hand, don't sit on the market for long at all. Once they are listed, they pretty much draw attention to themselves - resulting in a fast sale.

A staged exterior will also draw viewers. When home buyers first arrive at a home that is up for sale, they instantly make up their mind whether they should get out and look around, or drive off. If the yard is staged with flowers and the yard is manicured and properly taken care of, chances are that buyers will want to see more.

If you entice your buyers by showing them how nice the home is outside, they will surely want to know what the home is like on the inside as well.

Once a buyer has stepped inside of the home, he will know within a matter of seconds whether or not he likes the home. To get the buyer's attention, you'll need to stage your home to the buyer's liking. You don't want the buyer to feel rushed or get the wrong impression, which is why you should always set the stage and entice the buyer to take his time and get a good look at the home.

Staging the living rooms and kitchens will also help to sell the home. Buyers love living rooms, which is why you should always make sure that the living room is the center piece of your home, and decorate it accordingly. Kitchens on the other hand, is where you should really go all out, decorating with fruit and such. You should always make sure that everything is in place as well. Buyers love to see homes that are ready to move into - and not ready to be worked on.

Staged homes will also attract more real estate agents and get more advertising as well. If a real estate agent loves your home, he will want to show it off. If you stage your home, chances are that real estate agents will eat it up. When they do, they will advertise your home more than others, just to get you some deserved attention. This way, you can benefit from a lot of exposure at absolutely no extra cost.

There's no other way to look at it, other than staged homes sell. They attract more buyers, more real estate agents, and they give people the feeling of home. When you go out of your way to make the buyer feel that your home is his dream home, he will know it.

Homes that aren't staged may sell, although staged homes sell much faster and for more money. If you've been looking to sell your home, you should look into staging it and get the ball rolling in the right direction.

Chapter 6: Real Estate Investors Offer Perks to Retain Tenants

What tenant wouldn't love the allure of high speed Internet and a computer of their very own?

This is one of many incentives that investors and property owners are offering in order to retain or reward long term tenants. There are other rewards that are just as effective and cost property owners a little less in order to keep the tenants such as gift cards to restaurants after the renewal of a lease or gift cards at furniture stores for lengthening an existing lease.

Savvy investors realize that an empty house, apartment, mobile home, etc. is money that is being lost each month that these sit empty.

The same savvy investors also realize that by keeping tenants longer they are often able to prolong the installation of new carpet, new paint, and other cosmetic repairs that are often required when a dwelling is turned over.

In addition to the costs of these repairs there is also the time problems of these repairs as many of these cannot be completed in the course of a day or two and leave the apartment out of commission for at least a week if not longer. Bottom line is that the time the apartment sits empty is essential income that is lost.

If you do have an empty apartment or house there are things you can do in order to entice renters to sign a lease. One thing that many potential tenants find appealing is offering to allow them to select the color scheme for the walls and flooring.

Too many rental units permit only white walls to their tenants. Imagine the benefits of not only allowing them to have walls in designer colors but also doing the work for them. This is a great incentive to many renters who love the idea of the final look but not necessarily the expense or work involved in creating that look. The ability to have the colors of choice when moving in is a huge bonus to many renters that should not be neglected or overlooked.

Another thing that tenants find helpful and appreciate in a rental property are the little luxuries such as a dishwasher, garbage disposal, built in microwave, washing machine, or dryer. These things are luxuries that many find are well worth signing a longer lease and even paying a little extra for each month. Garages and carports are another great bonus to potential tenants if you have the facilities to provide this.

There are other enhancements you can make to a property that makes it more appealing to long-term tenants. Some of these would include ceiling fans, a fenced in yard for children or pets, and free cable television. It is the little touches that often appeal to renters and you will be amazed at the difference they make.

By offering your tenants something that every other landlord in the area is failing to offer you are standing out from the rest. You are also creating a 'spoiled' tenant who isn't going to be content with what the other landlords have to offer when the time to renew the lease comes around.

For this reason, he or she is likely to stick around for yet another six months or year until the new lease expires, at which time you, as the savvy investor you are, can convince them to once again name their price for staying and offer yet another beautiful incentive in order to keep your clients happy and in place.

Chapter 7: Real Estate Investing for the First Timer

You have probably read all the information on the market as it relates to real estate investing and are well aware that many of the world's millionaires made their fortunes in the real estate market.

As a result, I'm sure that you feel ready to throw your hat into the ring and begin your own real estate portfolio. There is certainly nothing wrong with this as an investment strategy though there are many wrong ways in which an investor can go about the process.

Flipping properties is my field of experience and a good deal of what will be discussed here will relate to flipping properties though some of the information can be crossed over into rental properties and other types of real estate investment. Even personal property can be a real estate investment. Real estate is one of the few forms of investment in today's society in which you can actually see the changes as they are occurring.

It is truly amazing to watch a property that was once neglected and in a state of disrepair suddenly spark back to life right before your very eyes. There is a lot of work involved in this process though and this is often overlooked. Much like labor in light of birth. The pains are quickly forgotten when looking into the face of the outcome.

Keep these things in mind for your first time and you should be well on your way to future success. You should also realize that the first few investments are learning experiences more than anything else. If you do not achieve the success you were hoping for (or success to a lesser degree than hoped) you should not give up on the dream all together simply learn from the mistakes you will make along the way as well as the mistakes that others have made.

Real estate investing is not an exact science. There is no formula in this business that guarantees success. Even seasoned professionals will find the occasional bump in the road even on a property for which they had high expectations. Stuff happens along the way that cost money, delay the project, or set the project back. These things are stumbling blocks no doubt but should not be allowed to derail the entire project. When these things

happen go back to your original plan, reassess the situation and create a new plan with the necessary adjustments in mind. The key is in sticking to a plan the entire time and never throwing the plan out the window and flying by the seat of your pants.

Your plan will be your lifeline throughout the project. You need to have a plan and a budget in writing. One great rule of thumb is that you set aside double the amount of money you plan for in your budget. This gives you a bit of a safety net for the inevitable things that will go wrong.

Things will go wrong on almost every flip you encounter. Even the seasoned professionals that have television shows about their flipping efforts encounter problems in almost every single flip, rehab, or renovation.

For your first few investments purchase it is recommended that you purchase properties that need little more than minor cosmetic repair rather than complete rehabs or renovations. This allows you to get your feet wet without the incredible risk of going off the deep end mentally, emotionally, and financially.

These properties represent lower profits but also lower risk. They also allow you to gain valuable experience and raise a little capital in which to invest in properties requiring more extensive work in the future.

Keep your eye on the carrot at the end of the project. Far too many would be property investors give up just before they reach the point of true profitability. The goal is the profit at the end of the project.