



What is happening in the real estate market?

(February 2021)

The whole world has been affected by COVID, yet real estate is going strong. This has come as a surprise to many, both inside and outside the industry. With interest rates at a continual all time low, and time on our hands which we spend looking at properties on-line, plus realizing our homes don't suit our needs anymore after spending so much more time in them, we're ready to make a change. This can be both exciting and frustrating. Here's why: it's still a seller's market. We don't have enough houses, villas or condos from which buyers can choose, which affects both sellers and buyers. Keep the following in mind, whether you are a seller, a buyer, or possibly both.

SELLERS

1. Prepare, prepare, prepare. Whether you want to sell within a few months or in several years, start working on your house now.
2. To show your house in the best possible manner, you need to declutter, minimize furniture, make light repairs, and clean. A perfect house isn't necessary, but a clean, decluttered house is a must.
3. Be realistic. While getting multiple offers is exciting, it can be overwhelming. The price isn't the only item on which to evaluate an offer. What is the buyer's financing? Are they asking for closing cost assistance, a home warranty, a survey? How quickly can they close? Do they need to sell their house first, to buy yours (that's called a contingency, and can get complicated). If a lender is involved, they will order an appraisal. So even if the price gets crazy-high, a lender will put a reality check on that and bring everyone back to earth by not lending more than the appraised value. If you have a cash buyer, they may not order an appraisal, and you can sell the house for any price on which you agree.
4. Where will you go? Have a place to move before listing your house. A standard closing takes 4 weeks to allow for inspections, repair negotiations, the appraisal, title work and lender documents. Just imagine having to vacate your house 4 weeks from today, if you were to put it on the market, and it sold the first day (which many prepared homes which are priced correctly, do). Plan ahead so you don't have unnecessary stress during this transition.

BUYERS

1. Your emotions will be tested, as you compete for a property in a market with low inventory. Many price ranges are affected, as well as first time home buyers and those downsizing. My clients have seen that our area doesn't have enough condos or villas for all those looking for maintenance free living in a more appropriately sized house. No matter your stage in life, be a well prepared buyer and realize that today's real estate transactions are different than they were even a few years ago.
2. Your very first step before looking at properties is to figure out how you will pay for your home. If you're getting a mortgage, speak with a lender and get a pre-approval letter, showing they will give you a loan. This letter outlines the amount and the terms. If you're paying cash, you need a letter which is called proof-of-funds. These letters will be submitted with your offer, to prove you can afford the house. Looking at a house without a pre-approval is like going to the grocery store, filling up your cart, and at the check-out realizing you left your wallet at home. You'll upset everyone in line, including the cashier and yourself. Do your homework and talk to a lender or two before going house hunting.
3. When the time comes, act fast. Be sure to know the home buying process (your Realtor should have educated you on all the steps before you even started). It can be scary and overwhelming to have to make an offer within hours of seeing a house, because cars are lined up outside at showings, filled with anxious buyers who also want the home. Be ready for a multiple offer situation, and possibly using an escalation clause (your Realtor will explain this document to you).
4. Adjust your expectations and priorities. You may need to pare down your list of must-haves and nice-to-haves, and be realistic. Be flexible about geographic areas, home age and layout, and the types of updates you can make yourself, will offer you more choices of properties. Be careful of overspending because you've lost out on previous offers and by gosh, you're going to get this house no matter what. You will regret that later, when you realize the home wasn't quite worth what you spent. Keep your budget in mind and stick to it, and most of all be patient. The right house will come along and it will be yours, because you were prepared, both financially and emotionally.

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