

HOMING IN ON HOUSING

Produced by: Suzan Schultz

Winter 2007

13 tips for selling your home in winter

Sure, there are fewer buyers and the skies are gloomy. So warm and brighten up the place; make it look like a refuge from the weather.

What makes selling a home more stressful? Selling it in the middle of winter.

The lawn is brown, the weather is usually bad and, unlike the longer days of summer, you have less time to show it off during daylight hours.

But not everyone has the luxury of waiting until the traditional spring or summer home-buying season to plant that "for sale" sign. And while it's true that in most areas you'll probably have fewer buyers during the winter, you will have less competition from other sellers.

The season makes staging -- the concept of showing your house at its best -- even more important.

Be prepared to put a little effort into it. "It's more difficult to make something look really appealing this time of year," says Ron Phipps, broker with Phipps Realty in Warwick, R.I. If you do it right, you can really make your house stand out.

1. Keep snow and ice at bay.

The top tip from realtors: If the buyer can't get in easily, the house won't sell. That means

keeping walkways and driveways free of the frozen stuff. Just like trimming the lawn in the summer, you want to make the home look like it's been maintained. If you're away frequently or live in an area that's subject to bad weather, it can pay to hire a service to regularly salt or shovel the driveway and sidewalks.

2. Warm it up.

If you're showing during the winter, think "warm, cozy and homey," says Ken Libby, owner



of Stowe Realty in Stowe, Vt., and a regional vice president of the National Association of Realtors.

Before a buyer comes through, adjust the thermostat to a warmer temperature to make it welcoming. "Sellers like to turn the temperature down because of heat costs," says David Ledebuhr, president and owner of Musselman Realty in East Lansing, Mich., and a regional vice president of the National Association of Realtors. "But buyers who come in and aren't com-

fortable won't stay long." If you have a gas fireplace, turning it on right before the tour can give the house a little ambience, Libby says. With a wood-burning fireplace, you've got to be a little more careful. If the house is vacant, don't chance it. But if you're still living there and will be there during the tour, it can be a nice touch.

Many times, sellers leave right before the agent and prospective buyers arrive. In that case, adjust the heat to a comfortable temperature and have the hearth set for a fire. Buyers feel the warmth and see the potential, and you don't have to worry about safety concerns.

3. Take advantage of natural light.

"Encourage showing during the high-daylight hours," Ledebuhr says. At this time of year, "if you show after work, you're totally in the dark." Make the most of the light you do have. Have the curtains and blinds cleaned and open them as wide as possible during daytime showings. Clean all the lamps and built-in fixtures, and replace the bulbs with the highest wattage that they will safely accommodate. Before you show the house, turn on all the lights.

SPECIAL POINTS OF INTEREST:

- How to avoid having your house labeled a "fixer-upper"
- Find out when the market will bounce back
- Making the Perfect snowman
- Does your home have curb appeal?

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When Will the Housing Market Finally Hit the Bottom?

By Rex Nutting

WASHINGTON (MarketWatch) -- The housing market is just getting worse. Home resales tumbled 8% in September to the lowest levels in this decade, prompting the obvious question: When will it all end?

The honest answer is no one knows. Optimists have been saying for more than a year that the worst is behind us, while the pessimists have been saying recovery is still a year, or years, away.

So far, the pessimists have been right about the weakness in the housing market, but their forecast that the collapse in housing would lead to a general economic malaise has, at least so far, failed to pan out. The economy has slowed, but has not fallen into recession, as consumers and investors adjust to a world in which home prices don't automatically rise 5% or 10% a year.

The only thing that's clear now is that the housing market has gotten worse since the spring. The

market was in a free fall in September. Sales of existing home fell 8%, while inventories of unsold homes rose to a 10.5-month supply. It could take 320 days for a home to sell.

Sales of existing single-family homes are down 20% in the past year, the fastest decline in 16 years.

Median prices have dropped 4% in the past year, in part because fewer expensive homes are being sold, but also because the typical home is

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Tips for Securing a Vacant House

If a home is going to be empty for the winter or even just the holiday season, here are some suggestions from police officers for keeping that property secure and discouraging intruders:



- Sign the house up for security checks from the local police department. Generally, the officers assigned to the area will keep an eye on the property at no charge.
- If there is a security system, make sure the security com-

pany knows the house will be empty and has an emergency contact.

- Stop the newspaper and mail. Ask neighbors to keep an eye out for other unsolicited paper that may gather on the driveway or in the mailbox.
- Arrange for a snow-removal or lawn care service.
- If the property is winterized, post that information where it can be seen from the inside, but not the outside.
- Remove anything from the house that is obviously valuable.
- Put the lights on timers. Don't leave lights on all night because that will alert intrud-

ers that the house is unoccupied.

- Make sure all the windows and doors are locked.
- Take a video of the house to make damages and theft easier to prove.
- If this is a long term vacancy be sure to let your home owners insurance company know. For most people your policy protects you only if you are living there. If you have a vacant home and there is a problem that would result in a claim you maybe at risk for denial of the claim because you failed to notify your insurance provider that your home is vacant.

Market Bottom Cont.

than it was a year ago.

Homes are only worth what someone is willing to pay for them, and right now, most homes on the market have no buyer in sight. Prices may have to fall much more to bring supply and demand back into balance, economists say.

Builders have almost no confidence. The home builders' index fell to a record low in October (the index dates back to 1985). New construction on single-family homes has plunged 31% in the past year, but still the inventory of new homes on the market, after adjusting for cancellations, is at the highest level since the early 1990s.

As if the fundamental sickness in the housing market weren't enough, a secondary infection has developed. The credit crisis in the mortgage market that erupted in the summer has left huge numbers of potential buyers without any access to

mortgages.

The subprime sector has essentially died, with the newly reinvigorated Federal Housing Administration able to replace only a tiny segment of what was once a huge market of home buyers.

The top end of the market was also frozen out, as jumbo loans (those with mortgages above the conforming level of \$417,000) became more expensive or completely unavailable.

The jumbo freeze-out devastated sales in pricey areas such as the San Francisco Bay area, where jumbo loans had accounted for about 52% of purchases in August, but just 39% in September.

There's some evidence that the jumbo market is slowly returning, but it's not functioning normally yet.

So where does the market stand now?

"We are seeing the first buds of

spring" in the recovery of the jumbo market, said Stephen Stanley, chief economist for RBS Greenwich Capital. "It's a slow, glacial recovery."

Stanley believes home sales will be "really bad" for two or three more months, before the credit markets begin to function more normally. "It won't return to where we were six or 12 months ago." At that point, the secondary infection would be gone, but the underlying illness would still be there. The market will really begin to recover only after sellers capitulate on prices.

And then home sales might level out, Stanley said, acknowledging that he's one of the more optimistic analysts.

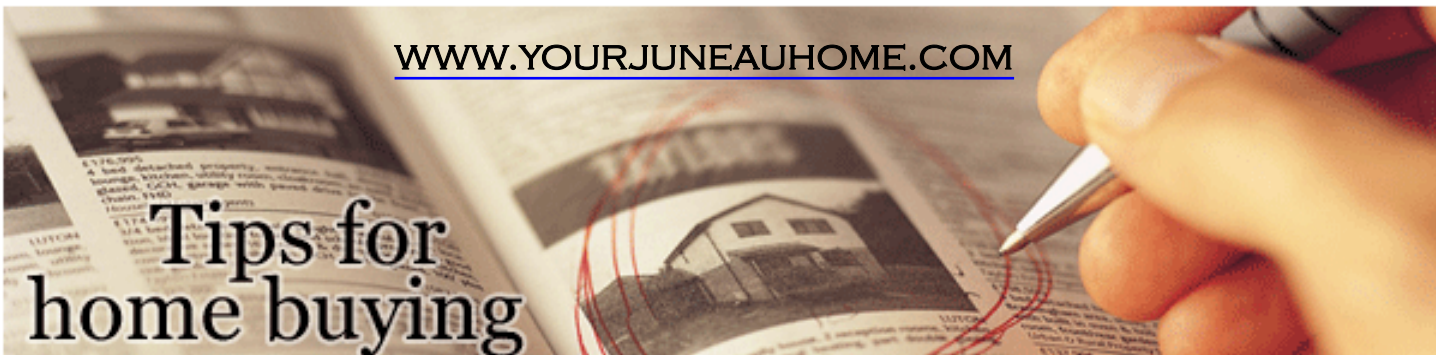
Historically, housing corrections take a long time. After the market softened in the late 1980s, sales fell for five years, then took three more years to return to the peak level. Prices took just as long to recover.

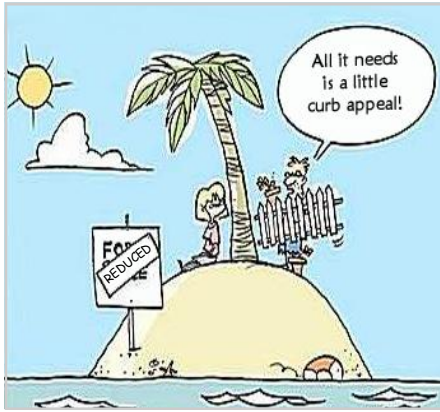
Some analysts say the fundamentals will worsen in coming months. The main problem is that so many adjustable-rate mortgages will reset to a higher interest rate. The typical family with an ARM will see mortgage payments rise by \$10,000 a year, according to Andrew Jakabovics of the Center for American Progress, a progressive Washington think tank.

Millions of these home owners will be unable to refinance their current loan and will either have to scrounge to make the payments, or lose their home through a fire sale or foreclosure. That would throw even more supply onto a saturated market. "The mortgage crisis is neither wholly contained nor likely to abate in the near future," said Jakabovics. "Default and foreclosure loom ever more menacingly as borrowers are unable to find a reasonable payment option and unable to sell their homes."

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Tips for
home buying





The longer your house is sits on the market, the less likely you are to get a deal that benefits you. Avoid waiting too long to make a decision:

- **Listen to feedback** Ask your agent to poll colleagues who have shown your home. If location is the problem, you may not have any choice but to reduce your price. But if your home's appearance is the

What to Do When Your House Doesn't Sell

issue, deal with what seems to be holding buyers back, such as cleaning up the basement or painting the interior.

- **Timing** Your problem may just be that you put your home on the market at the wrong time. Unfortunately, you can't always have the luxury of choosing when to sell. Nor can you know when similar, neighboring homes are going to be listed. But, if you can, wait until the spring or autumn when there are usually more buyers and your home is more likely to show well. It can be more difficult to sell your home during summer or winter holidays. Not only will you encounter fewer buyers but you may also have to contend with heat, cold or snow.

- **Lack of curb appeal**

We all know that you shouldn't judge a book by its cover. But when it comes to buying a home, curb appeal is an important factor. The exterior of a house is the first thing people see and it usually sets the tone for what's inside.

If shingles are falling off your roof and your front yard is overgrown with weeds, chances are buyers will assume your house is shabby on the inside, too. Fortunately, sprucing up the outside doesn't have to cost a lot. All you have to do is put your best foot forward. Start with the following:

- Mow the lawn, rake the leaves, weed the garden and trim overgrown trees and shrubs.

- Add fresh sparkle by cleaning the windows.

- Give an old door a new look with a fresh coat of paint and newly

polished hardware.

Avoid having your house labeled a "fixer-upper" by attending to obvious needed repairs.

- **Reduce your price** This is the most obvious decision. If the market has slowed since you listed the home six weeks ago, the comparable recent home sales you used to set your price may be obsolete. Consider reducing your price by as much as 10 percent; that's a strong signal to other agents that you are motivated to sell. If you still have no takers after another four to six weeks, you may have to cut your price again.

- **Take your house off the market** If you aren't in a rush to sell, drop out of the market before your home is stigmatized by a no-sale.

Selling in Winter Cont.

4. Get the windows washed.

"Buyers act on the first impression," Ledebuhr says. Windows are one thing that many sellers don't even consider. In winter, that strong southern light can reveal grime and make it look like the home hasn't been well-maintained.

5. Play music softly in the background.

To create a little atmosphere, tune the radio to the local classical station. Turn it down so that you barely hear it in the background. "It's soothing," says Libby, who finds that soft classical music tends to have the most appeal to buyers. "I think people tend to stay around a little longer and look a little longer."

6. Make it comfortable and cozy.

Set the scene and help the buyers see themselves living happily in this house. Consider things such as putting a warm throw on the sofa or folding back the thick comforter on the bed. Tap into "the simple things this time of year that make you feel like you're home," Phipps says.

7. Emphasize winter positives.

Is your home on a bus route or some other vital service that means it's plowed or de-iced regularly in bad weather? Be

sure to mention that to the buyers.

8. Set up timers.

You want your home to look warm and welcoming whenever prospective buyers drive past. But you're not home all the time, so put indoor and outdoor lights on timers, Phipps says.

Look at the outside lighting around the door. Is there enough illumination to make it inviting? If not, either get the fixtures changed or have new ones added.

9. Make it festive.

Even if you're not actually going to be present, greet your buyers as if they were going to be guests at a party, Phipps says. Set up the dinner table with the good china and silver. Have a plate of cookies for your guests, some warm cider or even chilled bottles of water.

"First impressions are so powerful," Phipps says. "If it looks like you're expecting me and greeting me as company, that's a powerful impact."

10. Give the home a nice aroma.

The No. 1 favorite? "Chocolate chip cookies," Libby says. "Just about everybody likes that smell."

Other popular scents: cinnamon rolls, freshly baked bread, apple pie, apple cider

or anything with vanilla, cinnamon or yeast.

"But don't overdo it, either," Ledebuhr says. Scented candles in every room or those plug-in air fresheners can leave buyers wondering what you're trying to mask.

Watch the bad smells, too. Pet smells, smoke and musty odors can cling to curtains and carpets. Ask your real estate agent or a friend to give it a sniff test. Then clean the house, air it out and replace drapes, carpets or rugs before you show it.

11. Protect your investment.

Some sellers (or their agents) will ask buyers to either remove shoes or slip on paper "booties" over their footwear before touring the house. Many buyers like that, Phipps says. It indicates a "pride of ownership and meticulousness that resonates with buyers," he says.

12. Use the season to your advantage.

While the holidays are over (and the Christmas and Hanukkah stuff should come down), you can still use winter wreaths and dried arrangements around the door to spark interest.

"Anything seasonally appropriate is fun," Phipps says.

In the winter, with the leaves off the trees, you might also have a nice view that isn't as apparent in the spring and summer months. It's a great time to sell

sell waterfront properties, Phipps says. "You can see the views better this time of year."

13. Consider the area.

In some parts of the country, such as ski areas or warmer regions where the snow birds flock, winter weather can actually be a selling point. "We're right in the middle of our selling season," says Libby, who is located in Vermont. "It's not always spring and summer."

This article was reported and written by Dana Dratch for Bankrate.com.



Surely the snowman gets cold out there – but winter's chill is rarely shown on his face. Kids can give a rosy glow to their frosty friends by mixing five drops of red food coloring with a cup of water, then using a spray bottle to spritz the cheeks with a fine mist.

Realtors?

More than 2 million people in the United States have earned real estate licenses. However, real estate is a tough business with a steep dropout rate, and the result is that only a small percentage of those with licenses actively help buyers and sellers.

The National Association of REALTORS® (NAR) includes 1 million brokers and salespeople, individuals bound together with a strong Code of Ethics, extensive training opportunities and a wealth of community information. NAR members are routinely active in PTAs, local government committees and a variety of neighborhood organizations. Being actively involved in community affairs provides REALTORS® with a better understanding of the area in which they are selling.

Why?

Buying and selling real estate is a complex matter. At first it might seem that by checking local picture books or online sites you could quickly find the right home at the right price.

But a basic rule in real estate is that all properties are unique. No two properties -- even two identical models on the same street -- are precisely and exactly alike. Homes differ and so do contract terms,

precisely and exactly alike. Homes differ and so do contract terms, financing options, inspection requirements and closing costs. Also, no two transactions are alike.

In this maze of forms, financing, inspections, marketing, pricing and negotiating, it makes sense to work with professionals who know the community and much more. Those professionals are the local REALTORS® who serve your area.

How do you choose?

In every community you're likely to find a number of realty brokerages. Because there is heated competition, local REALTORS® must fight hard to succeed in your community.

The best place to find a local REALTOR® is from REALTOR.com's® extensive listing of community professionals and properties. Other sources include open houses, local advertising, Web sites, referrals from other REALTORS®, recommendations from neighbors and suggestions from lenders, attorneys, financial planners and CPAs. The experiences and recommendations of past clients can be invaluable.

In many cases buyers will inter-

view several REALTORS® before selecting one professional with whom to work. These interviews represent a good opportunity to consider such issues as training, experience, representation and professional certifications.

What should you expect? (Working with a REALTOR®)

Once you select a REALTOR® you will want to establish a proper business relationship. You likely know that some REALTORS® represent sellers while others represent buyers. Each REALTOR® will explain the options available, describe how he or she typically works with individuals and provide you with complete agency disclosures (the ins and outs of your relationship with the agent) as required in your state.

Once hired for the job, the REALTOR® will provide you with information detailing current market conditions, financing options and negotiating issues that might apply to a given situation. Remember: Because market conditions can change and the strategies that apply in one negotiation may be inappropriate in another, this information should not be set in stone. During your time in the marketplace REALTORS® will keep you updated and alert you to each step in the transaction process.



Suzan Schultz

Realtor®

Showing the House

Your house should always be available for show, even though it may occasionally be inconvenient for you. Let your listing agent put a lock box in a convenient place to make it easy for other agents to show your home to homebuyers. Otherwise, agents will have to schedule appointments, which is an inconvenience. Most will just skip your home to show the house of someone else who is more cooperative.

Most agents will call and give you at least a couple of hours notice before showing your property. If you refuse to let them show it at that time, they will just skip your house. Even if they come back another time, it will probably be with different buyers and you may have just lost a chance to sell your home.

Try Not to be Home

Homebuyers will feel like intruders

if you are home when they visit, and they might not be as receptive toward viewing your home. Visit the

local coffee house, yogurt shop, or take the kids to the local park. If you absolutely cannot leave, try to remain in an out of they way area of the house and do not move from room to room. Do not volunteer any information, but answer any

questions the agent may ask.

Lighting

When you know someone is coming by to tour your home, turn on *all* the indoor and outdoor lights -- even during the day. At night, a lit house gives a "homey" impression when viewed from the street. During the daytime, turning on the lights prevents harsh shadows from sunlight

and it brightens up any dim areas. Your house looks more homey and cheerful with the lights on.

Fragrances

Do not use scented sprays to prepare for visitors. It is too obvious and many people find the smells of those sprays offensive, not to mention that some may be allergic. If you want to have a pleasant aroma in your house, have a potpourri pot or something natural. Or turn on a stove burner (or the oven) for a moment and put a drop of vanilla extract on it. It will smell like you have been cooking.

Pet Control

If you have pets, make sure your listing agent puts a notice with your listing in the multiple listing service. The last thing you want is to have your pet running out the front door and getting lost. If you know someone is coming, it would be best to try to take the pets with you while the homebuyers tour your home. If you cannot do that, it is best to keep dogs in a penned area in the back yard. Try to keep indoor cats in a specific room when you expect visitors, and put a

sign on the door. Most of the time, an indoor cat will hide when buyers come to view your property, but they may panic and try to escape.

The Kitchen Trash

Especially if your kitchen trash can does not have a lid, make sure you empty it every time someone comes to look at your home -- even if your trash can is kept under the kitchen sink. Remember that you want to send a positive image about every aspect of your home. Kitchen trash does not send a positive message. You may go through more plastic bags than usual, but it will be worth it.

Keep the House Tidy

Not everyone makes his or her bed every day, but when selling a home it is recommended that you develop the habit. Pick up papers, do not leave empty glasses in the family room, keep everything freshly dusted and vacuumed. Try your best to have it look like a model home -- a home with furniture but nobody really lives there.

