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5 survival tips to help you navigate a challenging real estate market

By Beth Burdick

MORTGAGES AND MORE

There is nothing more constant than change, as the saying goes. Just look at the differences in the real estate and credit markets this year versus last year at the same time.

Here are five tips for surviving in a challenging market:

1. Don't go it alone

If you are a seller, hire a Realtor to list and market your property. This is not the time to try to sell your home by yourself. Since you won't have access to the MLS (multiple listing system), you won't have access to the data that can help you accurately price your property. What your neighbors sold their house for last year is not a good rule of thumb in today's market. If you are a buyer, hire a Realtor to help you navigate the intricacies of the current landscape. Yes, there is a lot of inventory. But you need help finding the home that is right for you.

2. Negotiate in good faith

Remember that real estate prices are set locally and not nationally. Since Asheville did not have the big run-up in prices California and Florida did, we are not having rapid price deflation. As a seller, if you really want your home to sell, take the advice of your Realtor when setting the asking price. Decide in advance what will be the lowest price you will accept. This is normally based on how much you owe on the home, what you paid for it originally and what you need to put down on your next property. As a buyer, if you make a really lowball offer, you risk insulting the seller and terminating any good-faith negotiations.

3. Have your home staged

Right now the operative principle is the law of supply and demand. There are more houses for sale than there are qualified buyers. As a seller, you need to make your house stand out from the competition. Call a professional stager who will come in and tell you what will show off your home to its best advantage. Staging is not expensive, especially if you consider the cost of having your home on the market for additional months or having to reduce the price. The best time to call a stager is prior to calling a Realtor.

4. Remember, there is no perfect house

I am an avid watcher of HGTV, and what it has taught me is this: No matter how much money you have, there is no perfect house. Before you start looking, develop a list of priorities — what you must have, and what it would be nice to have. Share this with your Realtor. Knowing where and when you can compromise will save you time, money and frustration.

5. Find a reputable and ethical lender

Yes, they are still out there. You know from reading this column that credit conditions and lending guidelines have changed considerably since last spring. Don't sign an offer to purchase until a lender has reviewed your income, assets, credit and reserves. Before you meet with a lender, decide on a monthly comfort level of payment. Remember that a lender will qualify you on your gross income, not

your net income. Sit at home with a cup of coffee and all your monthly expenses. Decide what you are willing to give up — if anything — to get into a house. Being house-poor can negatively affect your relationship with your spouse and family. Trust me, it's not worth it.

Today is the final column of "Mortgages and More." David Kanis and I will be focusing our time on lending, but you can still call or e-mail us your questions.

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