

Seller Resource Library

Prepared for:
Date:

Different viewpoints establish different values!



You



Your Friend



Your Lender



Your Buyer



Your Tax Assessor

Determining a correct view of value is the starting point when it comes time to sell Money Manor!



Your Anchorage real estate professional with over 40 years professional experience!

Rod Stone

(907) 727-9379

rod@rodstone.com

Real Estate Brokers of Alaska

1. Selling Realities - Outline:

1. Swimming with sharks

2. Selling your home successfully

3. Hidden Costs

4. Myths & Realities of selling cost

5. Key components to selling

6. 4-things buyers don't want to hear



Selling your home is like swimming with sharks. Using the services of a discount brokerage is like using Ed's Discount Shark Cages. To represent you to the fullest, and protect your interests, you need to team up with an experienced professional who is **highly skilled, knowledgeable, licensed, bonded** and **carries Errors & Omissions Insurance**. If you want to shark proof your selling experience, you can count on the experience and market knowledge offered by -

Rod Stone!

Selling your home successfully

is an exercise in understanding and mastering three key elements:



1. Determining current market values correctly,
2. Understanding current market trends/conditions and absorption rate,
3. Formulating & exercising a game plan!



Hidden closing costs can be a **“SHOCKING”** experience:

In selling your home, there are selling costs to consider, understand and control! The following list is just a short over-view of closing costs that can/will affect your bottom line:

- **Taxes** – Capital gains, incorporation ownership, inheritance considerations?
- **Financing** – how will my bottom line be affected?
- **Home Inspection** – what repairs are necessary/can seller choose/who pays?
- **Appraisal** – how much, when, and who will establish/defend my price?
- **Title Insurance** – what is it, who pays, when and why?
- **Marketing fees** – commissions, exposure, who pays?
- **Lawsuits** – who’s on my side / are my assets protected?
- **Security** – is my family physically safe?
- **Reality** – do I really have the time, knowledge and patience?

Hidden costs abound and sellers need to arm themselves with some basic resource information. That being said, let’s explore the above list in order to equip you with important information:

TAXES:

In the past, there was a capital gains tax on all real estate sales to include homes used as a primary residence. So, is there a capital gains tax today? If you are selling rental property, there is a capital gains to consider and this is something you need to talk over with your tax accountant. If you own a home and used it entirely as your primary residence, there is no capital gains tax up to a defined value. Let’s say though, you owned a home as your primary residence and later turned it into a rental - will there be a capital gains tax due when the property is sold? The answer is - **Yes, No, Maybe!** The answer, in a roundabout way, is defined by IRS regulations. Briefly, the IRS has established a limit as to how many years you can rent out, a property that was previously your primary residence. If you go beyond this defined time limit, then you will have a capital gains tax on any gain you make when the property is sold. For a brief, more in-depth review of this subject, go to - <https://tinyurl.com/y3vbprjr>. Here you will find some interesting twists and turns in the IRS regulations. In the final analysis, you should seek out your accountant or tax lawyer for his / her guidance in such matters.

FINANCING:

One of the least understood, most over looked expense in selling a home is buyer's financing as it relates to your (seller) closing costs. One local bank is charging double for the appraisal (normally paid by seller) and is discovered at the closing table. Closing costs are dictated by the purchase contract. Additionally, each loan program used by the buyer differs as it allocates cost of doing business and determines who pays. In the final analysis, it is important to note that some closing costs are negotiable and some closing costs are not negotiable. Knowing this can substantially affect seller's net return.

HOME INSPECTIONS:

This is one of the biggest, least understood areas of seller costs. Let's start with – every buyer should get a home inspection! In some cases, I will suggest to my selling clients that they have a home inspection done before we place the home on the market. In our local market it is customary for the buyer to order and pay for a home inspection, which on average, is around \$550. Buyer will choose a home inspector to conduct the home inspection. I wish it could be said that this is a consistent, fair process, but it's not! Some inspection services are better than others and some reports are not worth the paper they are written on.

Let's understand the purpose of a home inspection. A home inspection report is a representation of the physical condition of the property, listing any adverse defects that may be present. Cosmetic issues are one thing and are not a concern to the lender. Cosmetic issues can be negotiated between the buyer and the seller and should be noted in the original offer. On the other hand, any noted health, safety or code issues will have to be dealt with or corrected **by the seller** before financing can be obtained. The trick here is to know what are and are not health, safety or code issues.

Just because the buyer wants all the repairs of issues noted in the home inspection report to be addressed and fixed by the seller - it is often true these issues are not health, safety, or code related issues and can be negotiated separately between the buyer and the seller. The biggest exception to this is the AHFC first time buyer program. The AHFC program will demand all the noted home inspection issues be addressed by the seller at seller's cost, regardless the seriousness of the noted issue. At any rate, having a working knowledge of how all this works can save the seller hundreds / thousands of dollars. Down through the years, I have seen example after example where people did not know how to fight a negative home inspection report and therefor ended up shoveling out hundreds / thousands of dollars, when in fact it wasn't necessary. Even worse, a lot of so-called real estate professionals do not know what I have just shared with you and are unable to give their client wise advice. As a result, I have seen sellers lose out big time because the home inspection made a big deal out of nothing.

APPRAISAL:

The appraisal process is totally a subjective exercise and the final evaluation could reflect a wide range of values, all depending on the view of one so-called expert – the randomly chosen fee appraiser. What happens if the so-called expert is just lazy, or doesn't appreciate the property/price range, or is just having a bad day and misses an important comparable? Having a good understanding of current properties being offered, sales/pending activity, past/closed sales and market trends will go a long way in defending a seller's price/value. Value determined by fee appraiser can be challenged if one has a firm grasp of the facts. Not in possession of this knowledge and knowhow could mean leaving thousands of dollars on the table.

SECURITY:

Here's a question that needs to be asked at this point - who is screening the strangers, posing as interested buyers, who want to come into your home? In this day and age, you are only kidding yourself if you think they are all legitimate buyers. Who has walked this potential buyer through the pre-qualifying process to insure this buyer is qualified? Who is on your side in case of legal action in which you stand to lose everything? A professional, experienced real estate professional can stand in the gap and give you security that can and will protect your every move.

Reality:

In truth, there are many disciplines that come into play when a home is placed on the market. The whole selling process takes on a life of its own. There are three critical areas that need to be considered. The **first** area to be understood and managed is "Time". A great amount of time is invested in preparing the home. A huge amount of time is invested in showing the home. Critical time is invested in the negotiation process. And lastly, large amounts of time are invested in the closing process. The **second** area to be understood is knowledge. Knowledge plays a major role in not only making sure the sellers receive all that is rightfully coming to them, but at the same time ensures that the process follows the legal protocol governing such transactions. The **third** area to be appreciated is experience. It goes without saying, when facing a critical medical decision, if one has the option of speaking with a doctor who just got out of med school, or a doctor who has many years of experience, experience wins out every time!

The Myths and Realities of Cost!

Some believe that by cutting the real estate commission, one saves a bunch of money. ***In fact*** – the opposite is true! Not only do you stand a good chance to lose money, you're taking on a number of huge, unnecessary risks. A true real estate professional will ***in fact*** save you money, time and represent/protect your assets. Controlling and understanding cost is the real secret to savings!

Cost will always be a part of the selling process. Here's a short list of reasonable, selling costs:

- **Taxes** – any special considerations to note, or advantage to explore?
- **Buyer's Financing** – how will my bottom line be affected?
- **Home Inspection** – what repairs are necessary, can seller choose?
- **Appraisal** – how much, when, and who will defend my price?
- **Title Insurance** – who pays, when and why?
- **Real Estate marketing fees** – what's best and who pays?
- **Security** – is my family and assets at risk?
- **Convenience** – do I really have the time, knowledge and patience?

FSBO hidden costs – more expensive than most have been led to believe! Consider the following:

- ✓ Ad programs – who pays the bill?
- ✓ Buyers – who's screening and qualifying them?
- ✓ Process – who's protecting my interest?
- ✓ Sale – who's in charge, who's running the show?
- ✓ Reliable Information – who's in the know, who can I can trust?
- ✓ Law suits – who's on my side and defends me if I'm sued?

What's the value of my professional real estate services?

- 3% to 5% increase in sales price.
- 29% shorter marketing time.
- 86% of all FSBO's list.
- 93% of all buyers use a realtor.
- 100% peace of mind!

There are closing cost and then there are closing costs. The trick is not to eliminate costs - that simply is not possible. Managing & understanding the cost is the secret! Why do you think my lawyer, doctor, and professional clients call on me when it comes time to upgrade, sell or find a home for one of their kids or friends?

Over the years, I have asked some of these folks why, with their background and professional experiences, do they entrust me with the privilege of servicing their real estate needs? In order of importance, they have said my services saves them money, protects their interest, saves them valuable time, and gave their spouse peace of mind. If the truth were known, I think giving the spouse peace of mind might be foremost.

I would be privileged to work with you and produce these same results for you!

FIVE key components to be considered and understood when it comes time to sell your home:

LOCATION - CONDITION - MARKET -

TERMS & PRICE

LOCATION

Pricing your home must reflect its location. The better the location, the higher the value. School districts, high or low traffic, highSAy accessibility, all need to be considered in determining market value. When it comes to location – it is what it is - **You** have no control!

CONDITION

Pricing your home must accurately reflect its condition. The condition of your home reflects on the value you can get. Condition of the roof, plumbing, carpets, and paint all relate to condition which translates to value. **You** can control condition and create eye appeal but as for the overall condition – What you see is what you get!

MARKET

Recession, inflation, interest rates, mortgage availability, competition, and the public's perception of the general economy, all make up the market. A value placed on your home must reflect the current nature of the market because you cannot influence or alter its reality. **You** are in a sense, in control of the market as long as you know & respect your current market! Knowing and understanding your current market will allow you to take advantage of your market!

TERMS

The more financing terms and options you are open to, the more potential buyers there will be for your home. The easier the terms, the more buyers will come knocking. Knowing financing opportunities and exploring additional options puts **You** in charge of your destiny!

PRICE

The most important, # 1 factor in the sale of your home is pricing. When it comes to placing a listing value on your home, **You** are completely in charge. Always keep in mind though, your buyers are not stupid. They have multiple resources available to them through the inter net, that enables them to compare your home with other like homes. Guess what? If we place an unrealistic starting asking price on your home, your potential buyers will go somewhere else!

The consequences of making a wrong decision is expensive. If you price your home too low, you will literally give away thousands of dollars that could have been in your pocket.

Price it too high, and your home will sit unsold for months, developing the reputation of a problem property (everyone will think that there is something wrong with it).

Failure to understand market conditions and properly price your home can cost you thousands of dollars and cause your home not to sell... fouling up all of your plans.

Setting the proper asking price for your home is the single biggest factor that will determine the success or failure of your home sale.

My primary job at the beginning is to make sure you receive and understand the information you need and help you correctly address the issues at hand!

You can't afford any "guesswork"- not understanding the 5 issues noted above will cost you dearly!

My experience causes me to believe there's one fundamental truth about house hunters: You can never fully escape the haters. That's right. The haters. The only way to live a 100 percent hater-free life is to never stick your neck out, and never do anything, because, as the saying goes, you simply cannot please all of the people all of the time.

4 things buyers don't want to hear



And this is particularly true with real estate and putting your listings on the market — because homes, locations, aesthetics and such are so much a matter of personal preference, some people will find something to criticize about even the most perfectly staged, priciest properties on the market.

As your listing licensee, it is not my job to make your listings be all things to all people — but you do want it to appeal to enough buyers that you get one great offer (and multiple offers never hurt anybody, either). That said, you don't want *your* listing to be the house that nearly every buyer and broker sees, rolls their eyes at and utters the same few, predictable, deal-killing criticisms.

Fortunately, what is predictable is avoidable. Unfortunately, many of the things that make a listing susceptible to haters are issues on the *seller's* side of the property preparation responsibilities. Let's explore the most common things buyers hate about listings they see. In the process, you'll get equipped with things you can say to your sellers to help sidestep those issues and, in large part, hater-proof your own listing.

House-hater complaint No. 1: odors

You might think I'm beating a dead horse, here, or even preaching to the choir. But as long as house hunters keep emailing me to ask why, in the name of all that is sacred, they keep seeing homes that smell like all sorts of madness and mayhem, I'm going to keep repeating this message.

Viewing a home, sounds like it's all about the visual of the experience. And visuals are critical — your listing should be in its Sunday best, so to speak, when it's being shown, in terms of being spruced, staged and clutter-free. But when a buyer comes to see your listing, they don't turn off the rest of their senses. And there is nothing that can turn a buyer off from a home they'd otherwise like more quickly than a powerfully bad odor.

In particular, cigarette and pet odors in a house that seems to have been well-cleaned create the concern that they might be permanent and that the buyer might not be able to get rid of them without dropping some serious cash on cleaning or even removing wall, window and floor coverings.

If you are listing a home and you know that someone has been habitually smoking in it or that the seller has had a “challenge,” let’s say, with pet accidents, do not ignore the problem. And do not think that because you had the carpet shampooed or the drapes cleaned, or because YOU can’t smell anything, that the problem is gone. The human sense of smell very quickly gets used to smells that it lives with or is surrounded with on a regular basis. One of my tougher jobs as a real estate licensee, is to point out bad smells and odors, no matter how painful the conversation, and to make sure they are eradicated by any means necessary before you place your listings on the market.

House-hater complaint No. 2: glaringly extreme overpricing

There’s the kind of overpricing that makes a buyer say, “Hmmm, seems a bit high. Let’s go see it, but we might have to offer a little less than the asking price if we like it.” Then there’s the kind of overpricing that makes buyer say, “I’ll wait until a price reduction,” or worse, hold their sides from laughing.

When overpricing is glaring, many buyers and buyer’s brokers will comment on it or inquire about it. What they are less likely to do is actually come out and see the place, especially if they weed it out online after comparing its specs to all the other homes in the area and the price range. Often, homes this severely overpriced simply don’t sell, or not until after they’ve had some serious price cuts or have been on the market so long buyers begin to feel confident about making lowball offers.

In fact, the goal is the opposite — you want your listing to stand out as a property that is not dirt cheap, but does present a good value for the money — that’s what motivates buyers to get out of their chairs and into the property for a viewing. Obviously, you don’t set the price of your listings. It’s also obvious that the agent-seller conflict about overpricing is one of those battles that have been fought since Adam and Eve sought to list the Garden of Eden.

Here’s how to hater-proof your home’s listing against this issue: **Fixate on the comps**. Smart sellers deactivate their emotional attachment and very human tendency to overvalue their precious homes by poring over the sales prices (not list prices) of similar, nearby homes that have recently sold.

House-hater complaint No. 3: dirty and messes

Possibly the single largest source of house-hater complaints I’ve ever heard are the dirt, messes, piles and personal belongings that buyers find so distracting when they walk into a home for a viewing or open house. Obviously, homes that are filthy from floor to ceiling are fertile fodder for haters. What is underestimated is how often even savvy home buyers are distracted (and disgusted) by relatively clean homes that just have a few outstanding messes, like piles of dirty dishes in the sink, piles of dog poo in the yard, or even piles of papers, mail, books or clothes lying out in plain view. Give your home a chance and address these issues before showing.

Will one or two such items ruin the sale of your home? Perhaps not. But a few of them (or more) can certainly distract a buyer enough that they fixate on the home’s messes and, in the process, fail to see what is so great about your home. As I see it, cleaning up before every single showing is free — so it makes no sense to even run the risk of turning off a prospective buyer by letting messes get in the way of their ability to visualize themselves and their families flourishing in your home.

House-hater complaint No. 4: lots of little malfunctions

All sellers tend to think their home is flawless and in fantastic condition. After all, the sellers have had the furnace maintained regularly, they’ve installed new, dual-paned windows, and maybe they even had the floors refinished or the walls painted in preparation for putting the place on the market. And that’s all fantastic — all the non-cosmetic work that’s been done to maintain and improve the home should also be trumpeted in the marketing materials, and the cosmetic items will or should speak for themselves. **But here’s the thing**, house hunters, for the most part, won’t be running the dishwasher or testing the furnace (at least not until inspections), so make available all recent reports (furnace inspection, recent plumbing repairs or additions, electrical work or general repair reports), allowing your would-be buyers see your attentiveness in addressing any issues concerning the well-being of your home. A home inspection is usually the responsibility of the buyer, but in some cases – depending on age and history of your home, I might suggest you conduct a home inspection even before we place your home on the market.

In viewing your home, what buyers will do — almost unconsciously they will:

- Flick light and fan switches.
- Open or close window coverings, closet, room and entry doors.
- Open and close drawers, cupboards, gates and fences.
- Hold the handrails as they walk up and down the stairs.
- Check for squeaky floors.
- Check the door-bell.
- Observe and note age and any and all wear & tear on carpet / flooring.
- Notice closets and storage areas that are over-stuffed.
- Notice if the home seems to be overly stuffed with furnishings.
- Note that the walls are covered with family or Alaska pictures – most likely resulting in a need to repaint walls.
- Notice that all interior doors are level and close correctly.

They will hear & see leaky faucets and notice water spots from long-ago-repaired leaks, and they will notice (or potentially trip on) uneven exterior tiles, paths and walkways. And even though these items might be vastly less expensive to fix than the roof or sewer line you had replaced, they are much more visible and noticeable to a buyer. In fact, buyers don't always even know that the little malfunctions and repairs that need doing are little or inexpensive. And when they notice a bunch of the little things in a home, they tend to jump to the conclusion that the whole place is rickety. Since little fixes tend to be inexpensive to make, have them completed before your listing goes active, if at all possible. I would be available to walk through your home, and give you a third, disinterested point of view, point out all the little fixes you might consider addressing. Additionally, I can offer you a list of professionals you might considering using for any project you may want to undertake.

2. Market Value - Outline:

1. Correctly Determining Market Value

2. How is market value established

3. Pricing Guidelines

4. Drawbacks of Over Pricing

5. Benefits of Proper Pricing

Establishing a “correct”
view of market value is
the first big step in
marketing your home!

Value as seen by:



You



Your Friend



Your Lender



Your Buyer



Your Tax Assessor

Selling your home begins with a realistic determination of current, fair market value which is based solely on sales of comparable properties. Keep in mind, as we move forward to establishing your fair market value, we will analyze current, active listings, but only for the purpose of being able to size up your competition. In this day and age, home buyers have access to a tremendous amount of information. It's easy for buyers to see if a property is priced appropriately. If a listing is priced at fair market value, chances are, a prospective buyer will make an appointment to view the home in person. If the property is obviously overpriced, your would-be buyer will most likely focus in on other properties that are not overpriced. Wouldn't you do the same thing if you were the buyer?

How is market value established?



Who determines the value of your home?

Real estate value is not based on how much one paid or how much has been invested in remodeling. Value is not established by how much the seller needs out of said sale. Value is not set by the seller, the buyer, the real estate Professional, the lender or even the appraiser. In reality, value of your home is set by the market. The market is your neighborhood or like subdivisions. Sales in comparable subdivisions that are comparable in size, age, style, and settings are analyzed and compared. From a lender's view, the value of your home should correspond to and fall into the range of like sold properties.

Is it advisable to obtain an appraisal before placing our home on the market?

In most cases it is not advisable to pay for an appraisal at the start of the selling process. Chances are, the lender will not accept your appraisal. One of the reasons is that each loan program has its own set of requirements. For example; say you hire an appraiser to appraise your home. He will ask, "Which guidelines should be used"? You and your appraiser agree to use FHA standards and it will cost \$550. That seems reasonable, after all, a lot of people use FHA to finance a home. It turns out though, your buyer is a veteran and he intends to use his VA eligibility. In short, the \$550 you spent for the FHA appraisal is now no good and you will have to spend another \$550 for an VA appraisal.

How can I determine the best/most realistic price for my home?

You can pick up the fliers from properties being offered for sale in your neighborhood. If a neighbor has a home on the market, you might just ask him what he got for his home. The only problem is that you already know what he was asking; the question is, "what did you receive"? Most of the times there is a big difference. To save face, the seller, in most cases, is only going to discuss with you what he was asking, not what he received.

Value for your home could be determined by how much you need to make this move, or how much money you have to put into your home. This will, in most cases, assist you in determining an unrealistic, above market value for your property. The outcome will be your property will sit, being overlooked by the buying public. The homes around you that are being offered at a fair market value will have sold long ago.

As your real estate professional, I am equipped with the knowhow, experience and resources to help you analyze the market place and help you come up with a reasonable, fair market value for your property. By exposing you to current MLS, computer data of sold properties, we can formulate a realistic price range for your property. You will be exposed to the same source of information an appraiser will use in formulating his view of value. Determining a true, fair market value for your property is more than a stroll around the block or a quick glance at the newspapers for sale notices. Simply put, too much is at stake. By using my professional real estate services, in the long run, you will save money and time and gain peace of mind knowing an experienced professional is there to counsel, guide and protect your every step!

PRICING GUIDELINES

- What you paid for your property does not affect its current value.
- The amount of money you need to get out of the sale of your property does not affect its value.
- What you think it should be worth has no effect on value.
- What another Realtor says your property is worth does not affect its value.
- And lastly - assessed values imposed on your home for tax purposes do not represent your current, market value.

The value of your home is determined by what a **ready, willing and able buyer** will pay for your home. Regardless of what a buyer is willing to pay though, the agreed upon sales price between buyer and seller has to be justified by a fee-appraisal and meet the requirements of the loan program being used by the buyer. The basis of your home's value is determined by the nearby, recently closed sales of comparable homes.

In short:

**BUYERS AND THE MARKET PLACE DETERMINE
VALUE – supported by a fee-appraisal!**

***A word to the wise - DO NOT
automatically list with the agent
that gives you the highest value!
Most likely, that will be a waist of
valuable time and money!***

Consumer Reports, July 2014 offers some sound advice:

“Expect the Realtor to suggest a price range, but don’t let that frame you in. Be aware that some Realtors will, at first, suggest an unreasonable, high value for your home, much higher than the market will support. This is done to get the listing. Then, after they have the listing and the house hasn’t sold, they’ll come back with some kind of excuses that the market is suggesting an adjustment in listing price is necessary.”

DRAWBACKS OF OVERPRICING

- **REDUCES ACTIVITY:** Agents won't show the property if they feel it is priced too high.
- **LOWER ADVERTISING RESPONSE:** Buyer excitement will be with other properties that offer better value.
- **LOSS OF INTERESTED BUYERS:** The property will seem inferior in amenities to other properties in the same price range that are correctly priced.
- **ATTRACTS THE WRONG PROSPECTS:** Serious buyers will feel that they should be getting more for their money.
- **HELPS THE COMPETITION:** The high price makes the others look like a good deal.
- **ELIMINATES OFFERS:** Since a fair priced offer will be lower than asking price and may insult the seller, many buyers will just move on to another property.
- **CAUSES APPRAISAL PROBLEMS:** Appraisers must base their value on what comparable properties have sold for.
- **LOWER NET PROCEEDS:** Most of the time an overpriced property will eventually end up selling for less than if it had been properly priced to begin with, not to mention the extra carrying costs.

BENEFITS OF PROPER PRICING

- **FASTER SALE:** The proper price gets a faster sale, which means you save on mortgage payments, real estate taxes, insurance, and other carrying costs.
- **LESS INCONVENIENCE:** As you may know, it takes a lot of time and energy to prepare your home for showings, keep the property clean, make arrangements for children and pets, and generally alter your lifestyle. Proper pricing shortens market time.
- **INCREASED SALESPERSON RESPONSE:** When salespeople are excited about a property and its price, they make special efforts to contact all their potential buyers and show the property whenever possible.
- **EXPOSURE TO MORE PROSPECTS:** Pricing at market value will open your home up to more people who can afford it.
- **BETTER RESPONSE FROM ADVERTISING:** Buyer inquiry calls are more readily converted into showing appointments when the price is not a deterrent.
- **HIGHER OFFERS:** When a property is priced right, buyers are much less likely to make a low offer, for fear of losing out on a great value.
- **MORE MONEY TO SELLERS:** When a property is priced right, the excitement of the market produces a higher sales price in less time. You NET more due to the higher sales price and lower carrying costs.

3. General Seller

Information - Outline:

1. Fred

2. Steps in the Selling processes

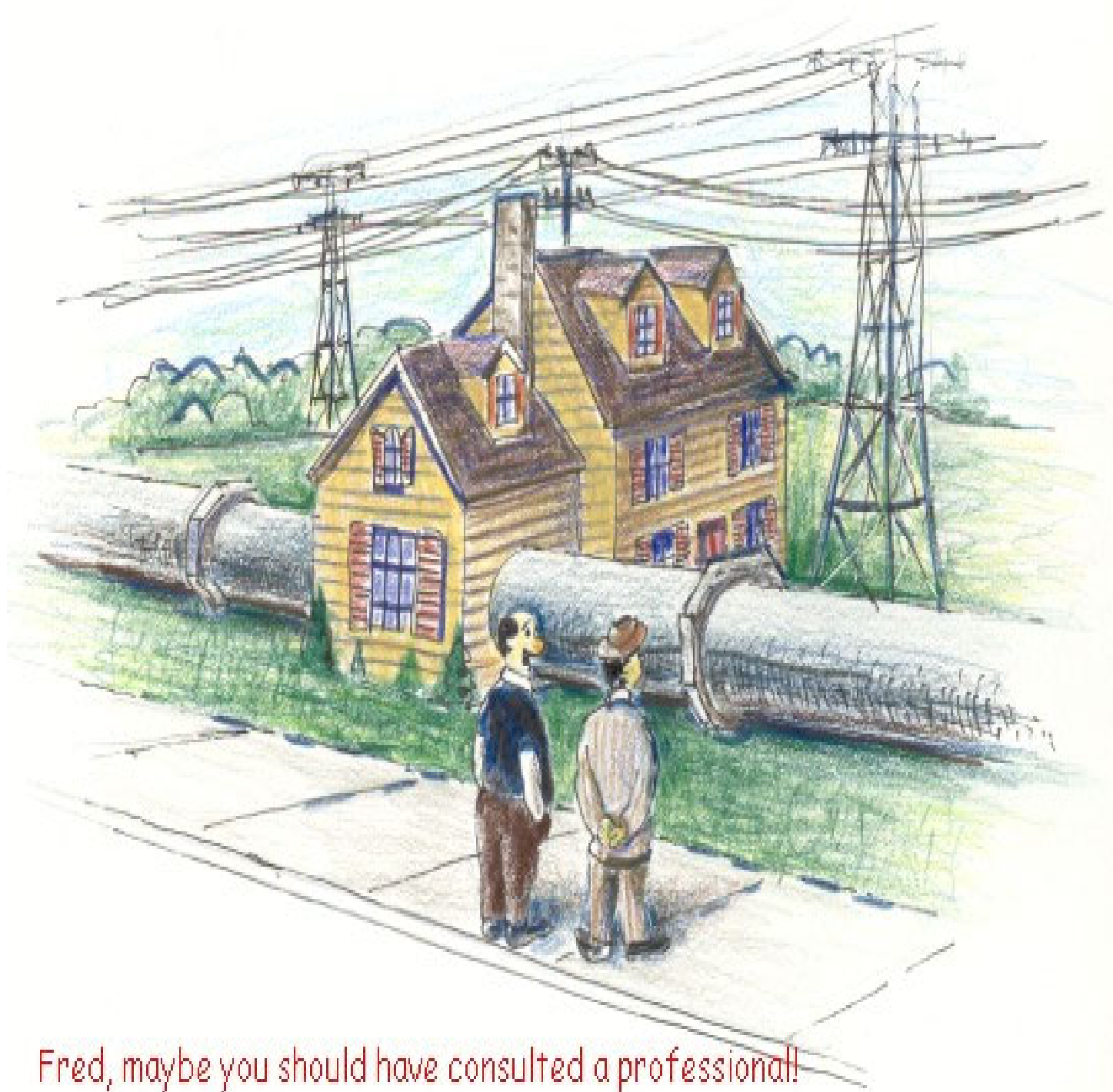
3. The 8 Top Seller Mistakes

4. Estimated Seller Net-sheet

5. Contractor List

6. Anchorage Services

7. Agent Profile

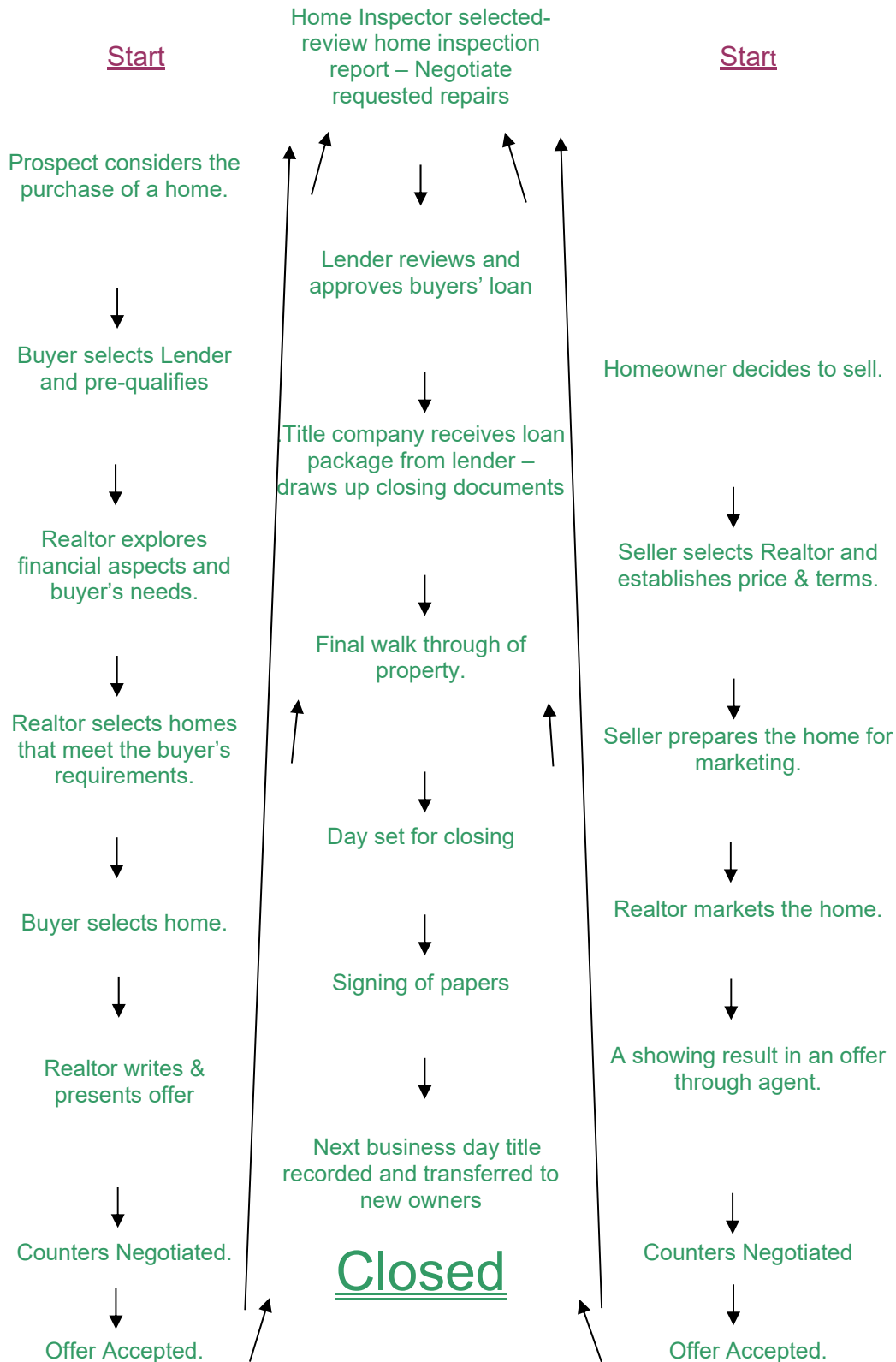


Fred, maybe you should have consulted a professional!

Steps in the Buyer/Seller Process

BUYERS

SELLERS



The 8 Top Home-Selling Mistakes You Should Avoid

Over the years I have observed many mistakes made by sellers. The following is a collection of the top 8 most glaring home-selling mistakes, mistakes you would do well to avoid.

1. Don't ... ask for too much money.

Yes, you know what you paid for the house. But that doesn't mean that it's still worth that amount—or that it's appreciated in value since you bought it. "Your house is only worth what the market is willing to pay you," says certified financial planner Ellen Derrick of [Learn Vest Planning Services](#), who has bought and sold at least eight homes, including investment properties. "It doesn't matter what's in it. And it doesn't matter what your mortgage is." Your realtor has an eye on the market and knows what kind of prices homes—just like yours—are garnering now. Pricing your home too high will discourage interested parties from making an offer, and your property could sit for months, which isn't your goal.

What to do: Let a real estate professional work up a comparative market analysis for you. Keep in mind that even if you've made pricey improvements to the home (granite countertops, stainless steel appliances, gold plated faucets), you may not get your money back if you're the only home on the block with such upgrades. If comparable kitchens in the neighborhood don't have similar upgrades, buyers aren't expecting fancy perks in yours, and may not be willing to pony up for the difference.

2. Don't ... skip the marketing.

You may think that all you have to do is take one photo of the house, stick a "For Sale" sign in your yard and buyers will come pouring in the door. Au contraire. "The only way to guarantee that you're going to get the highest price for the house is to use all of the marketing options available to you. "This means Internet advertising making use of professional pictures of your house, public open houses and even postcards." The more people who see your house, the better your chances are of selling it. In an age when buyers start their searches online, counting on drive-bys and word of mouth isn't enough anymore.

What to do: Don't wait until the last minute to notify your real estate professional that your house is going up for sale. Give your real estate professional two – three weeks lead time to research comparable homes and help you set-up a good listing price. Give them time to book a professional photographer to take professional pictures. This time may include bringing other professionals that might assist in preparing your home for the market.

3. Don't ... go it alone, unless you know what you're doing.

If you are not a seasoned real estate pro, and you're not familiar with all the pit-falls that can devastate your selling experience, team up with a seasoned pro. As a real estate professional, I give you the added luxury of legal protection you can't afford to be without. As a 40+ year seasoned real estate professional, my experience and market knowledge is priceless! When it comes to selling your home, there's a lot at stake. The laws and disclosure acknowledgements that govern the selling process are constantly changing. Understanding of current tax laws will keep you out of trouble! Last, but certainly not least, the wellbeing of your family should be upper-most.

What to do: Team up with a seasoned, real estate professional you are comfortable with – don't leave your financial well-being to chance!

4. Don't ... neglect to fix things that are broken.

If sellers walk through your house and spot a handful of items that need immediate repair, they're going to wonder how well you've maintained the things they *can't* see. The entry way is a big tip-off. Got a loose hand rail on the steps, sagging screen door or jiggly door knob? Fix them. Clear your gutters, patch holes in your walls and address dripping faucets.

What to do: Do a walk-through of your own home, pretending that you're a buyer, seeing it for the first time. What things have you always meant to fix? Now is the time. Spend a few weekends dealing with all of those niggling projects to get your home in show-worthy shape.

5. Don't ... get emotionally involved.

Yes, it's your house. Yes, you sweated blood and tears to get it just the way you wanted it. But, no, that does not make it someone else's "perfect," particularly when you've made some unique decorating decisions. You want the space to look as neutral as possible, so buyers can envision themselves in the space. So even if those teal walls in the bedroom look knock-out great with your duvet, they probably won't match anyone else's things. Let go of the features you love, and make it a house *most* people could love—and that might mean painting all of the walls a soft, neutral color.

What to do: I would be willing to walk through your home with you, and make some suggestions you might want to consider to make it more marketable. As you consider selling your home, start thinking about your house as a commodity, not an extension of your identity. If buyers don't love it, it's not a personal insult. It's simply a deal that didn't work out.

6. Don't ... leave your stuff everywhere.

You want buyers to feel like they could move into your house tomorrow—with *their* things. Take notice of the fact that your collectibles, knick-knacks, photos and utility bills make the space feel a little too personal. First impressions are extremely important! If your prospective buyer is greeted with a huge collection of personal items - pictures, knick-knacks, and books and the like, you are allowing your things to become a distraction and not aiding in the presentation of your home. This sends the wrong message – this is my house, not yours.

What to do: Before you put the home on the market, get a few boxes and grab every extraneous thing you see: photos, knick-knacks, books. If it helps, take a few pictures of each room, and try to view them through a buyer's eyes. What could you remove from each room to make the space feel bigger? You want it to look like a hotel room, comfortable, clean and inviting. This will allow your prospective buyer to work through placing their furniture and belongings into your home. Also, unrelated but important! Don't hang out at showings. While you may want to tell prospective buyers about all of the things you've done to the house, it's best to leave them be. If there's some information you think is important for them to know, leave a flyer on the kitchen counter.

7. Don't ... get offended by a lowball offer.

Just because someone came in with a really low bid is no reason to walk off in a huff. Now's your chance to negotiate. Buyers are trying to buy your house for the lowest price possible, that's only natural. Don't get upset and blow them off. They might *love* your house. You can't blame them for trying. In other words, it's not personal, and it's not a slam on your housekeeping. It's a business transaction.

What to do: Come back with a counteroffer. Typically, most buyers will come back with a second offer, which is a better indication of what they're really willing to pay.

8. Don't ... lose your sale over minor issues.

It's possible to get 99% of the way through a home sale, only to stall out at the end over a minor detail. Don't be that seller. I've seen people throw away getting a \$450,000 house sold over the seller wanting to take the mantle at the last minute instead of leaving the mantle over the fireplace.

What to do: Unless it's an heirloom that's been in your family for generations, remember that you can probably find another one—but you may not find another buyer at that price. To be safe, if there are things, you're feeling like you can't live without, such as the curtains you found at a crazy flea market or the light fixture you discovered at an antiques store, replace them with something else *before* you start showing your home.

Estimated Seller Proceeds:

Sales Price: _____

Property Type: _____

Loan Type: _____

Lender Processing

Fee \$150.00

Survey (If needed) \$550.00

Appraisal \$850.00

Owners Title _____

Insurance

Doc. Prep \$147.50

Real Estate Fee (%) _____

Escrow Closing Fee \$500.00

Flood Certification \$75.00

Recording Fee \$100.00

Attorney's Doc Prep

Fee \$50.50

Home Warranty \$550.00



Additional cost you might consider:

- 1.Home Inspection \$550.00
- 2.Heating Inspection \$275.00
- 3.Carpet/General cleaning \$750.00

Estimated Net Closing Costs: \$ _____

Existing Mortgage Pay-Off: \$ _____

Estimated Net Proceeds \$ _____

Contractor list for the Greater Anchorage area!

As a real estate professional, I constantly rely on list of contractors I can depend on to assist my clients in preparing their home for marketing or remodeling projects they may want to undertake. When asked by clients for assistance in finding a contractor, I view my suggestions as an extension of my over-all service. So obviously, I want to be able to refer my clients to contractors that can and will perform to the highest degree possible. Therefore, I only recommend contractors who have proven they can be trusted, reliable, experienced, and reasonable in their pricing. For offering this list of top-notch contractors, I receive nothing in return except the satisfaction of knowing, I have helped my client by providing a contractor they can count on and get the job done!

Here are my suggestions:

At the top of my recommended list of those who can assist you is our own in-house company - Roy Briley Property Services which is experienced, licensed & bonded, able to handle multiple tasks in a professionally manor with a high degree of efficiency. They can take your punch list (remodeling, cleaning, flooring, lawn care, and all your general maintenance needs) and get the job done – all with one phone call! Time is important when it comes to getting things done, so it's important to note, they typically will have a service technician show up in person within 24 hours, to evaluate your needs and make suggestions. Check them out and see what they can do for you. They can be reached at 907-343-8914.

Home Inspection services:

HomeTeam Inspection Service 907-694-8326 (Mike Hanneman)

HouseMaster 907-346-9190 (Karan)

Roofing:

T&M Enterprises 907-250-8446 (Matt Loewe)

General Handyman:

David Christensen 907-310-6459

84th Street Construction 907-250-0084 (Dylan / Ryan)

Home Handyman Carpentry Service 907-830-6002 (Jim Langland)

Bruce Rhein Construction 907-982-7460 or 907-746-4991

Handyman Home Repairs & Painting 907-223-1168 (Chad Rodriguez)

Plumbing:

<u>Turner Maintenance</u>	<u>907-310-4005</u>
<u>Alkota Plumbing & Heating Inc.</u>	<u>907-332-5325</u>

Electrical:

<u>M & M Electric Inc.</u>	<u>907-205-4919</u>
<u>AC – DC Electric</u>	<u>907-745-4108</u>
<u>Able Electric</u>	<u>907-373-7574</u>
<u>Raven Electrical Inc.</u>	<u>907-349-9668</u>
<u>Alaska Advanced Electrical</u>	<u>907-357-8550 or 907-355-8556</u>

Heating:

<u>Mountain Mechanical</u>	<u>907-344-0700</u>
<u>Moore Heating & Air Conditioning</u>	<u>907-561-1500</u>

Painting, Drywall & Carpentry:

<u>M.D.J. Contractors (all around jobs)</u>	<u>907-240-6564</u>
<u>Glen's Drywall Company</u>	<u>907-745-4787</u>

Windows:

<u>Denali Windows & Doors</u>	<u>907-677-2000</u>
<u>A.K. Window cleaners</u>	<u>907-343-9227</u>
<u>Denali Clearview LLC</u>	<u>907-231-1001</u>

House Cleaning:

<u>Affordable Cleaning by Diane's Service</u>	<u>907-248-3909 or 907-341-4649</u>
<u>Spruce Cleaning Service</u>	<u>907-344-8315</u>
<u>Merry Maids</u>	<u>907-290-7221</u>
<u>Klondike Cleaning Services</u>	<u>907-301-1151</u>
<u>Great Bear Cleaning Services</u>	<u>907-232-5600</u>

Well & Septic:

<u>Garness Engineering Group Ltd.</u>	<u>907-337-6179 or 907-338-3246</u>
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Surveyor:

<u>Shan Holt (375@gci.cet)</u>	<u>907-223-8615</u>
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Garagedoor Services:

Boretide Garagedoor Services (Ryan Dodson) 907-917-9911

Asphalt:

Precision Asphalt 907-744-9598

Concrete:

Anders Construction 907-744-8458

GMC General, Inc 907-349-7854

Chimney Sweep/Cleaners:

Southwick Chimney Cleaners 907-745-2723

Rain Gutters:

Denali Rain Gutters 907-854-2244

AK Curb Appeal 907-350-9226

Precision Guttering 907-272-2150

Moss Removal:

Revive Home Detailing 907-891-3771

Home Guard Services 907-344-8273

Last Frontier Roof Clearing 907-519-4192

If there is any additional information you may need, please let me know. I would be honored to assist you further.

rod@rodstone.com

Anchorage Borough Services

(Anchorage, Eagle River, Chugach, Peters Creek, Indian, Girdwood)

Utilities:

Electricity –

Chugach Electric (www.Chugachelectric.com) 907-563-7366

MEA (www.mea.coop) 907-694-2161

Gas –

Enstar (www.enstargas.com) 907-277-5551

Water & Sewer –

AW&WU (<https://tinyurl.com/3a3hrkac>) 907-564-2700

Communications:

ACS (www.alaskacommunications.com) 907-561-1221

GCI (www.gci.com) 907-265-5400

MTA (<http://www.mea.coop/>) 907-745-3211

Garbage Collection:

Alaska Waste (<https://tinyurl.com/mr2ctk3p>) 907-563-3717

Blue Arctic Waste (<https://www.bluearcticak.com/>) 907-343-6262

Cable / TV:

GCI Cable 907-265-5400

MTA E.R. 907-694-3211

Dish Network 907-722-6216

Directv 855-802-3473

Services:

Hospitals –

<u>Alaska Native Medical Center</u>	<u>907-563-2662</u>
<u>Alaska Regional</u>	<u>907-276-1131</u>
<u>Providence</u>	<u>907-562-2211</u>
<u>St. Elias</u>	<u>907-561-3333</u>
<u>Poison Control</u>	<u>907-213-3193</u>

Libraries –

<u>Anchorage</u>	<u>907-343-2975</u>
<u>Eagle River</u>	<u>907-343-1530</u>
<u>Heritage Library Museum</u>	<u>907-265-2834</u>

Newspapers –

<u>Alaska Dispatch</u>	<u>907-257-4400</u>
<u>Anchorage Press</u>	<u>907-561-1773</u>
<u>The Alaska Star</u>	<u>907-694-2727</u>

Police –

<u>Anchorage</u>	<u>907-786-8900</u>
<u>Alaska State Troopers</u>	<u>907-269-5511</u>
<u>Road Conditions</u>	<u>511</u>
<u>Humane Society</u>	<u>907-344-8808</u>
<u>DMV</u>	<u>907-269-5559</u>
<u>UMV</u>	<u>844-373-3681</u>

Education:

<u>Anchorage School District</u>	<u>907-742-400</u>
<u>UAA (University of Alaska Anchorage)</u>	<u>907-786-1800</u>
<u>APU (Alaska Pacific University)</u>	<u>907-564-8343</u>
<u>Mountain City Christian Academy</u>	<u>907-337-9575</u>

Transportation:

<u>People Mover Bus Line</u>	<u>907-343-6544</u>
<u>Yellow Cab</u>	<u>907-222-222</u>
<u>City Taxi</u>	<u>907-744-9604</u>
<u>Independent Taxi Dispatch</u>	<u>907-555-500</u>

Golf Courses:

<u>Moose Run</u>	<u>907-428-0056</u>
<u>O'Malley's On The Green</u>	<u>907-522-3363</u>
<u>Fox Hollow</u>	<u>907-345-4600</u>

Ski Areas:

<u>Alpenglow Arctic Valley</u>	<u>907-428-1208</u>
<u>Alyeska Ski Resort</u>	<u>800-880-3880</u>
<u>Hilltop Ski Area</u>	<u>907-346-1446</u>

If you need additional information, please allow me to get this to you. You can call or text me at 907-727-9379 or email me at rod@rodstone.com. I would count it a privilege to assist you further!

Agent Profile:



Your Anchorage real estate professional with over 40 years professional experience!

Rod Stone (907)-727-9379

Real Estate Brokers of Alaska

www.YourAnchorageAKHomeSearch.com

rod@rodstone.com

Experience:

- **Licensed in the State of Alaska as a Broker or Associate Broker since 1978.**
- **Served as manager/broker of Century 21 Krenik Realtors.**
- **Owner/broker -ERA Gold Panner Realty.**
- **Successfully trained hundreds of real estate sales agents.**
- **Over the years personally assisted thousands of buyers/sellers with their real estate needs.**

As your real estate professional, I will take great pride in delivering service that exceeds your expectations! I know where the fish / buyers are and I know how to reel them in!



4. HSA Home Warranty - Outline:

Coverage

Protection

Service

Benefits of A Home Warranty

As a seller, offering a home warranty may prove to be one of the best investments you can make in selling your home. For one thing, it is a great selling tool, an extra benefit to entice a would-be buyer to seriously consider your home. At the same time, it also protects you from any unexpected, last-minute problems that could come up between the time you place your home on the market with me, and the time your buyer takes over as the new owner. Your home owners' insurance policy will protect you from major events like fire, wind & ice storm damage to include roof damage. In addition, your home owners' insurance policy insurance provides liability coverage and insures your personal belongings.

On the other hand, your home owners' insurance policy does not cover you if any of your major appliances, to include the heating system malfunctions and needs fixing or replaced. Additionally, you're not covered if there are extensive electrical, plumbing problem that may come up. Here's were home warranty insurance comes into play. With a home warranty policy, for the most part, all the mechanical parts of your home are covered.

Time and space here do not allow me to give you examples where a home warranty insurance policy has proven to be a lifesaver for many of my clients. If you need additional related information, please let me know – rod@rodstone.com. This truly has been a lifesaver for many of my clients including myself.

Starting with the next page, you have a full copy the HSA information pamphlet. Let me know if you have any questions or if you need additional information.

5. Articles of Interest:


1. Duck on the pond

2. There is a difference

3. Capital Gains Tax

4. Where are home values going

5. Institutional Buyers

A colorful duck, possibly a Wood Duck, is swimming in water. The duck has a green head, a red eye, and a multi-colored beak. Its body is brown and white. The water is rippled and reflects the duck.

Like a good seller's agent, even though I look relaxed and peaceful, there's a lot you don't see going on below the surface.

- *Finding you the "Right" buyer*
- *Screening potential buyers*
- *Assisting you with understanding offers*
- *Negotiating terms & price*
- *Fending off unnecessary repair request*
- *Suggest service providers*
- *Taking care of all the details*
- *Providing errors & omissions insurance*
- *Producing timely updates*
- *Providing you a pleasant & profitable selling experience*

BetterHomeowners.com

The above represents a small portion of services I offer. I pride myself in offering services that goes above and beyond any other seller assistance you can find. Let me know if you require additional services. I would be honored to serve you!



The difference in real estate agents is just like the difference in chefs competing on cooking shows. They have the same ingredients and tools but their experience and expertise make a huge difference.

BetterHomeowners.com



Capital Gains tax on sale of primary residence?

Capital Gains on Sale of Your Primary Home?

If you have a profit from the sale of your primary home, you may qualify to exclude up to \$250,000 of your profit for a single tax payer, or up to \$500,000 if you're filing a joint return.

Qualifying for the Exclusion

In general, to qualify for the Section 121 exclusion, you must meet both the ownership test and the use test. You're eligible for the exclusion if you have owned and used your home as your main home for a period of at least two years out of the five years prior to its date of sale. You can meet the ownership and use tests during different 2-year periods. However, you must meet both tests during the 5-year period ending on the date of the sale. Generally, you're not eligible for the exclusion if you excluded the gain from the sale of another home during the two-year period prior to the sale of your home.

Reporting the Sale

If you receive an informational income-reporting document such as (Form 1099-s, Proceeds From Real Estate Transactions) <https://www.irs.gov/forms-pubs/about-form-1099-s> - you must report the sale of the home even if the gain from the sale is excludable. Additionally, you must report the sale of the home if you can't exclude all of your capital gain from income. Use Schedule D (Form 1040), Capital Gains and Losses (<https://www.irs.gov/forms-pubs/about-schedule-d-form-1040>) and Form 8949, Sales and Other Dispositions of Capital Assets (<https://www.irs.gov/forms-pubs/about-form-8949>) when required to report the home sale. Refer to Publication 523 (<https://www.irs.gov/publications/p523>) for the rules on reporting your sale on your income tax return.

Suspension of the Five-Year Test Period

If you or your spouse are on qualified official extended duty in the Uniformed Services, the Foreign Service or the intelligence community, you may elect to suspend the five-year test period for up to 10 years. An individual is on qualified official extended duty if for more than 90 days or for an indefinite period, the individual is:

- At a duty station that's at least 50 miles from his or her main home, or
- Residing under government orders in government housing.

Where are home prices going from here?



One of the most asked questions I hear from present day, potential home buyers is, "Will prices continue to rise now that interest rates have increased dramatically in the last several months?"

It would be reasonable to think that rising interest rates would mean home values should be coming down. Unfortunately, this isn't the case! High inflation, strong economic growth, low unemployment, and increased wage growth are pushing home values even higher.

Prior to 2010, 70% of the home sales were pre-owned existing homes. At the same time, people owned and lived in their home an average of 5 years. Today about 85% of all home sales are made up of pre-owned existing homes with people staying in their home now for about 9 – 10 years.

The facts speak for themselves. Homes are still selling quickly, at or near the listing asking price. In spite of rising interest rates, home values are not declining. In fact, they are ever so slightly still moving up - though not as steeply as we saw in the last 2 years. In order to see a decline in home values, we would need to see nearly a doubling of homes on the market. The fact is, that's just not happening!

A seller's market is marked by a 3 month or less absorption rate (the time needed to sell off our market inventory). A buyer's market is marked by an absorption rate of more than 3 months. Our current market absorption rate is around 1.3 months. This strongly indicates we have a market that highly favors the seller. Market time from 06/20 through 01/22 required approximately an average of about 5 to 7 days. Current market time is about 35 days which is still exceptional!

On average, the medium listing price in today's local market is around \$420,000. As noted, it is taking about 35+ days marketing time to come up with a buyer. In today's market, the seller, for the most part, has the upper hand when it comes to negotiating price and terms. Currently, it's not unusual to see sales prices equaling or slightly exceeding listed, asking price.

Mortgage rates have gone up over 2% in the first half of 2022. This reality dramatically affects the affordability of buying a home even if home values don't increase. A \$360,000 mortgage at 3.05% as of December 2021 would have a principal and interest payment of \$1,528 on a 30-year loan. At 5.22% as of August 11, 2022, that same payment is now \$1,981 or a difference of \$453 dollars or around a 30% increase.

Experts in the know and people a lot smarter than I am are predicting some interesting possibilities as to where our local market is headed. We know that local home values increased an average of around 15 to 20% over the last two years. Now the experts are predicting that local home values will increase at a rate of around 6% over the next two years. Keep in mind though, these are the same experts who, two years ago, underestimated home value increases for 2020 and 2021 to be in the 7 to 10 percent range when in fact home values went up some 15 to 20+ percent.

Increases in rates and home prices have forced some people out of the market and is forcing them to stay enslaved to a rental market that more and more demands ever growing, uncontrollable increases in rental costs. For the fortunate ones, who can still afford to buy, even with these increases, acting now could save them tens of thousands!

In short, our current market is being driven by demand and supply. Unless there is a huge influx of homes coming on the market in the near future, our local housing market will remain strong and we will see home values continue to rise, in spite of rising interest rates. It is most likely we will continue to see a market that mostly favors the seller, allowing the seller to have the upper hand when it comes to pricing and terms!

This is an opportune time to be selling! At the same time, it is a time of opportunity for buyers. In either case, you can depend on my market knowledge and experience to guide your every step and help you achieve your goals. I know this is a lot of information to digest, so if you have any questions or you would like to explore your buying or selling options further, please phone or text me at (907) 727-9379, at your earliest convenience. I look forward to assisting you further!



*Your Anchorage real estate
professional with over 40
years professional experience!*

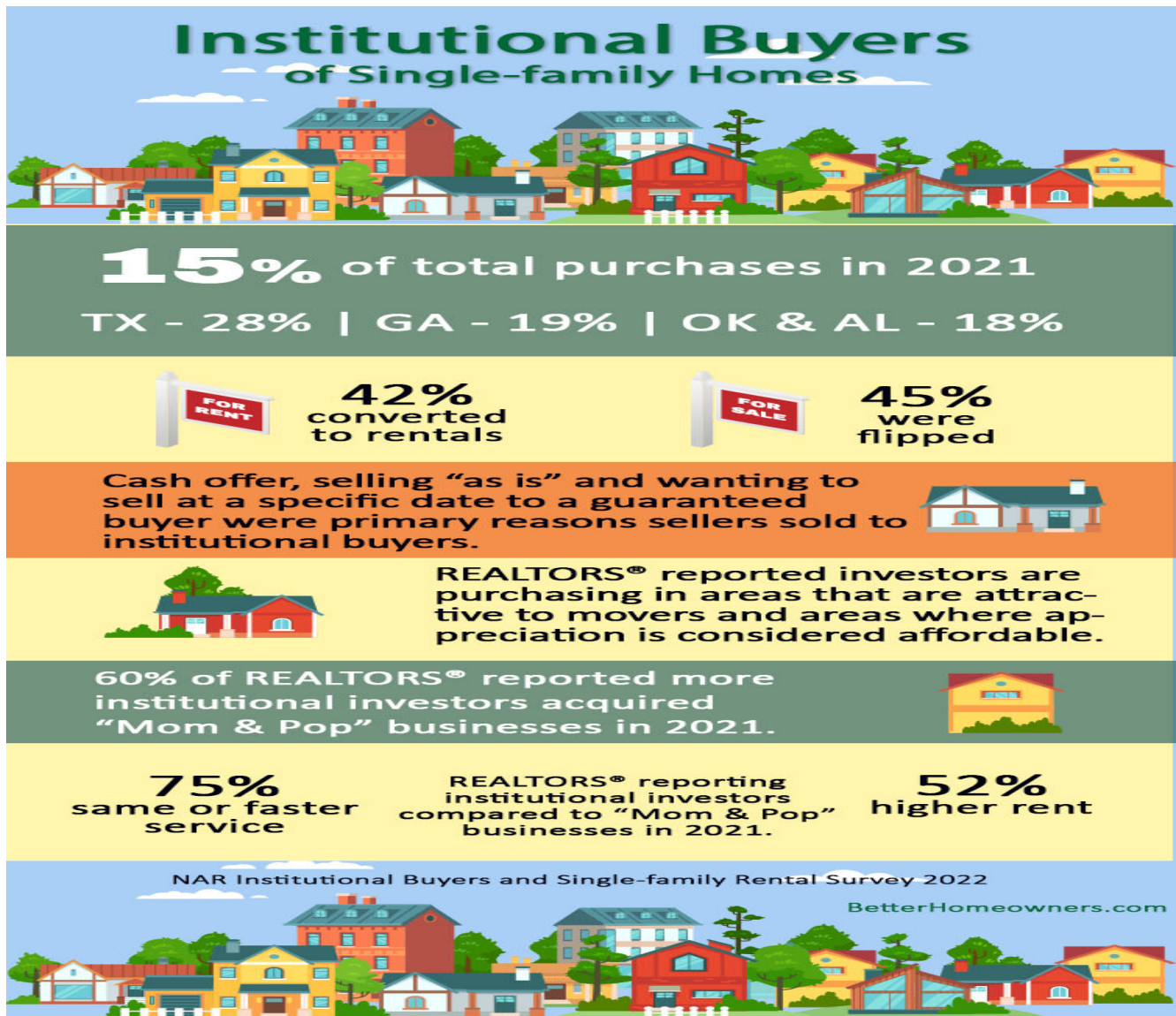
Rod Stone (907)-727-9379

Real Estate Brokers of Alaska

www.YourAnchorageAKHomeSearch.com

rod@rodstone.com

There is no one, single reason for our on-going, local housing shortage, but it's real and here is one thing that is contributing:



Institutional buying in the Anchorage market account for about 19% of all buying activity.

Knowing this and understanding how institutional buyers work, will go a long way in negotiating your best-selling results!