

A SELLERS GUIDE

THINGS TO CONSIDER WHEN SELLING FOR TOP DOLLAR THIS FALL



Fall Edition
2020

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Homes By Krista and The
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HOMES BY KRISTA

Your East County Local Market Update

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The market is as hot now as it was in 2006 housing boom days. With housing being so similar today to back in 2006 right before the crash, many homeowners are worried about the market right here in East County crashing like it did in 2008. The good news right now is that foreclosures and short sales according to N.A.R. represented less than 1% one percent of the sales in August. I totally understand your concerns, I was selling homes back when the market crashed and I saw around an average of about a 75% decrease in home prices. I sat across many homeowners who lost their home to short sale or even worse foreclosure. It was horrible. So the question that many people are wondering is, "Is that going to happen again?" Honestly, as experienced as I am in Real Estate, I just don't know. But, what we can do is look into the facts as much as we can. One thing we all can be certain about, is that there isn't much to be certain about. I mean really, I'm not trying to be a pessimist, but it's also very important to be as much of a realist as possible. We cannot truly foresee what the housing market will do. One thing we are seeing and are certain of is that there are a lot of people still losing their jobs and we are still seeing many restaurants and small businesses close down, and much of that is on a local level, so it's scary. We also don't know how long this pandemic is going to last and what the economic foresight will be on the economy as a whole or on the housing market. But here are a few things we do know as of right now, and just like there's a new social media site that takes over in just a few days, or just as quickly as technology changes, well my viewpoint may also change before this article even gets out. But as of now, what we are seeing locally in Brentwood and Oakley is that homes are selling very quickly. The lower the price of the home, the more offers and competition we are seeing, recently we had 22 offers on a property we listed. That means 21 buyers did not get the home.



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For buyers, getting an offer accepted of 600,000 is very competitive because inventory is so low which makes it definitely a seller's market. In my humble opinion, there are several reasons for this. One, is that a lot of sellers were holding off earlier in the year due to the uncertainty of what's happening in our world. Also, interest being at nearly record lows, allow more buyers to enter the market, and also given that we are in an election year which is just right around the corner, historically housing tends to stay good during these times. So, with the market looking so good, many people are asking if I feel it will continue to significantly go up. I must advise that I do not foresee the market going up significantly over the next year. I feel that once the election is over and the president settles in, then we may see the negative effects of what's happening globally will take a toll on the housing market. Also, given our location and how far the majority of people need to commute, we typically are hit first and harder when housing starts to slow down, but again, that is just my humble opinion. I just can't see with all of the jobs that are being lost and businesses both locally and nationally closing down, how that cannot have a negative impact on the housing market. Throughout the nineteen years in this industry when seller's in the past have come to me around this time and asked me if they think it's a good idea to sell now, with the Holidays around the corner, I've always recommended that if they can wait to list, it was probably better and to try to list their home right after the holidays and to shoot to have it ready to be active for sale by around January 11th or so, and in previous years, I would recommend waiting. However, that is NOT what I am recommending now when sellers call me and ask my opinion. I think now is an opportune time to sell given the low interest rates, dramatically low level of inventory on the market and high buyer demand, also the unlikeliness that home prices in this area will go up much more than they already have given where we are located and the uncertainty of what lies ahead, I think it is an opportune time to sell.



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According to Lawrence Yun, the National Association of Realtors Chief Economist,

“Shortages of homes for sale have proven problematic in the housing industry over the last few years, but have grown even worse in recent months. Housing demand is robust but supply is not, and this imbalance will inevitably harm affordability and hinder ownership opportunities.”

I agree and believe that now is an opportune time to sell so much that I've personally sold a few of my properties recently, I'm eating my own dog food and putting my money where my mouth is so to speak regarding the advice that I'm giving. Now that's just my personal opinion and I don't have a crystal ball, but I will say that I've been pretty good at forecasting market trends in the past based upon my extensive involvement in the market. Please reach out to us if you have any further questions or need any additional help. We're always here to serve you, make it a great home selling and buying day.



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Learning to Leverage Your Equity

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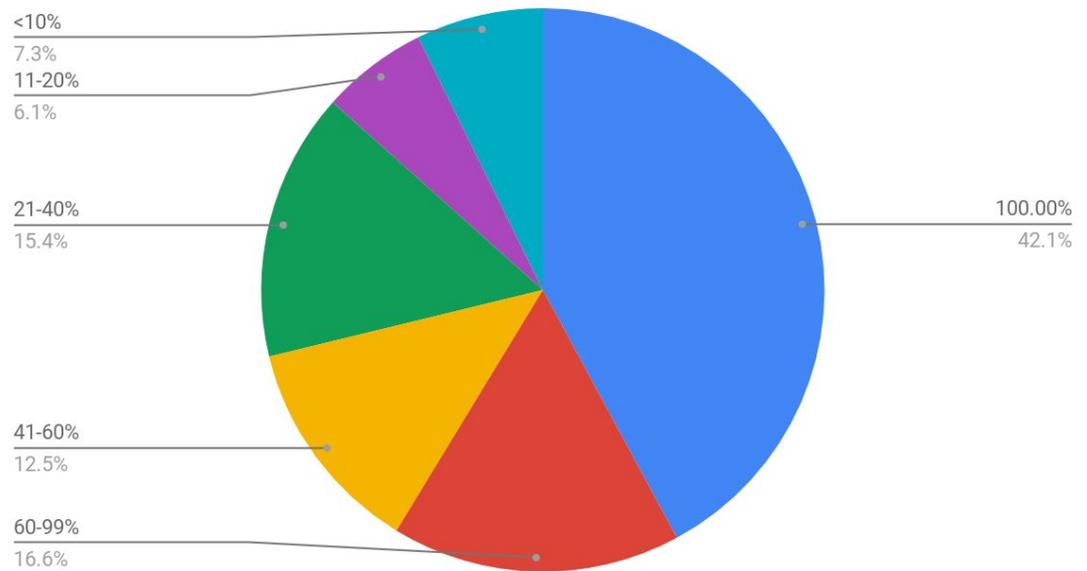
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According to John Burns Consulting, 58.7% of homes in the U.S. have at least 60% equity, and 42.1% of all homes in this country are mortgage-free, meaning they're owned free and clear.

In addition, CoreLogic notes the average equity mortgaged homes have today is \$177,000. That's a tremendous amount of forced savings for homeowners in today's market.

As a homeowner, you may have more equity in your house than you realize. Using it to make your move to a new home while interest rates are hovering near historic all-time lows may be the best decision you could ever make.

Percentage of Homeowner Equity



The Main Point

Don't listen to all the doom and gloom! Let's connect to see if your home equity positions you to make your next move sooner than you may have thought possible. Taking advantage of this market – safely and effectively – and, as always, feel free to reach out to us at any time for any questions you may have.



HOMES BY KRISTA

The Top 5 Reasons Why You Shouldn't "For Sale by Owner (FSBO)"

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#1 You & Your Family's Safety is a Priority

When you FSBO, it is incredibly difficult to control entry into your home. A real estate professional will have the proper protocols in place to protect not only your belongings, but your family's health and well-being too. From regulating the number of people in your home at one time to ensuring proper sanitization during and after a showing, and even facilitating virtual tours for buyers, agents are equipped to follow the latest industry standards recommended by the National Association of Realtors (NAR) to help protect you and your family.

#2 You Need a Powerful Digital Marketing Strategy to Attract Buyers

Recent studies from NAR have shown that, even before COVID-19, the first step 44% of all buyers took when looking for a home was to search online. Throughout the process, that number jumped to 93%. Today, those numbers have grown exponentially. We use 21st century digital marketing strategies to sell your home quicker, for more money, and for top dollar.

#3 Negotiations

Are you a Master Certified Negotiation Expert? As a FSBO, you have to be prepared to negotiate with many people and companies:

- The buyer who wants the best deal possible.
- The buyer's agent who solely represents the best interest of the buyer.
- The buyer's attorney (in some parts of the country).
- The home inspection companies, which work for the buyer and will almost always find some problems with the house.
- The appraiser if there is a question of value.



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The Top 5 Reasons Why You Shouldn't "For Sale by Owner (FSBO)" Continued...

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#4 FSBO is Not an Easy Task

The paperwork involved in selling and buying a home has drastically increased as industry disclosures and regulations have become mandatory. This is one of the reasons that the percentage of people choosing to FSBO has dropped from 19% to 8% over the last 20+ years.

#5 You Net More Money When Using an Agent

Many homeowners believe that they will save the real estate commission by selling on their own. Realize that the main reason buyers look at FSBOs is because they also believe they can save the real estate agent's commission. The seller and buyer can't both save the commission.

A study by Collateral Analytics revealed that FSBOs don't actually save anything. In some cases, they may actually cost themselves more by not listing with an agent. One of the main reasons for the price difference at the time of sale is:

"Properties listed with a broker that is a member of the local MLS will be listed online with all other participating broker websites, marketing the home to a much larger buyer population. And those MLS properties generally offer compensation to agents who represent buyers, incentivizing them to show and sell the property and again potentially enlarging the buyer pool."

The more buyers that view a home, the greater the chance of a bidding war for the property. The study showed that the difference in price between comparable homes of size and location is currently at an average of 6%.

Why would you choose to list on your own and manage the entire transaction when you can hire an agent and not have to pay anything more?

The Main Point

Before you decide to take on the challenges of selling your house on your own, contact us and we can discuss your needs.



HOMES BY KRISTA

Curb Appeal

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We all know the phrase. Many times buyers won't even walk through a home that doesn't look cleaned up from the outside. Here are a few simple tricks that can save you money and maximize your return on investment at the same time.

- Utilize black bark and add a few flowers or plants that pop.
- Paint the front door and trim instead of an entire new paint job.
- Right before pictures, water down the concrete or pavement.
- Trim up the trees, landscape, and roses.
- Check to make sure exterior lights are working and the home is well lit up at night.



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Pricing Your Home Appropriately

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In today's real estate market, with more houses coming to market every day and eager buyers searching for their dream home, pricing your home appropriately is one of the most important things you can do when selling.

According to the U.S Economic Outlook by NAR, existing home prices nationwide will increase 3.8% in 2020 and 2.1% in 2021. This means experts anticipate home values to continue climbing into next year. Low inventory is largely keeping them from depreciating. Mark Fleming, Chief Economist at First American, notes:

“Housing supply remains at historically low levels, so house price growth is likely to slow, but it's not likely to go negative.”

When it comes to pricing your home, setting it at or slightly below market value will increase the visibility of your listing and drive more buyers your way. This strategy actually increases the number of buyers who will see your home in their search process.

Instead of the seller trying to 'win' the negotiation with one buyer, they should price their house so that demand for the home is maximized. By doing so, the seller will not be negotiating with a buyer over the price, but will instead have multiple buyers competing with each other over the house.

The key is making sure your house is Priced To Sell Immediately (PTSI). That way, your house will be seen by the most potential buyers. It will be more likely to sell at a great price before more competition comes to the market.

The Main Point

Let's get together to discuss how to price your home appropriately for our area and maximize your exposure.



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Why You DON'T Need a Realtor

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You don't need a realtor, but what you do need is a(n)



Negotiation Expert



Pricing Specialist



Advocate



Marketing Expert



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Contact Us to Talk More

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We would love to answer your questions and talk more about what you read in this article. We can lead you on the right path to selling your current home or buying the home of your dreams! Look forward to hearing from you :)

Main Point: Don't hesitate on selling your home or purchasing a new one. Prices are at a standstill right now and the inventory is still great! Call us and we can help give you an accurate value or find your dream home.



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