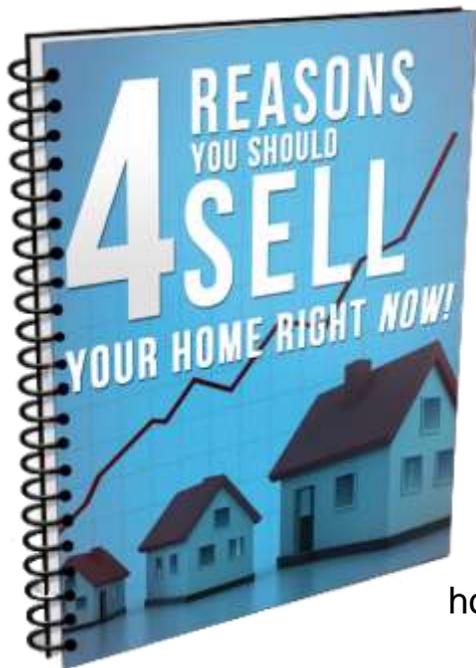


4 Reasons You Should Sell Your Home Right Now

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In 2006, you saw the housing bubble completely crash and burn, which put buying and selling homes at a near standstill. Homes were being foreclosed on, even people with good credit couldn't get loan approvals and sellers who were getting offers on their properties stood little chance of selling them for their true worth.

As a result, many folks who had their properties up for sale at the time that everything went awry decided to make a hasty exit from such a hostile and unpromising environment. They had hope that better days would eventually arrive, and that they would be able to sell their homes for a fair price.

As a real estate agent, I still see people eight years later still waiting to put their home up for sale. The main reason for this stalling is that they're terrified to try and re-enter the housing market at the wrong time.

Perhaps you are one of these very people who decided to cut your losses and stay in a home because it seemed that fate had forced your hand. Or, you might even be one of the many that are fresh to the home selling scene and are ready to move on to the greener pastures of a new home. Either way, it's likely that you have wondered if now is the right time to sell, or if you should hold out for the economy to improve just a wee bit more.

I won't misguide you. There are many of my colleagues who would say that holding out a little longer would serve you well. However, I have a good bit of data to back up my belief that now is the perfect time to get your house on the market. Following, I

have disclosed this data and compiled four solid reasons that you should absolutely sell your home as quickly as possible. Making a move immediately will most definitely work for you rather than against you, my friend. Now is the time.

Reasons You Should Sell Your Home Right Now #1: Interest Rates are on the Rise



Over the last several years, we have seen record low interest rates on mortgages. This was primarily in an effort to allow folks to continue to afford to buy properties and promote growth. The lower rates have allowed for the housing market to begin the slow process of healing. However, the past few months have seen interest rates gradually begin to increase. Further, these rates are projected to continue to go up steadily over the next year, and beyond, by the Mortgage Bankers Association. Check out the following figures.

- November 2012 boasted a record low interest rate on a standard 30-year mortgage loan at 3.31%. (BusinessWeek) A 30-year mortgage is often the go-to loan for new homebuyers because they offer a low and affordable monthly payment plan. This lower payment allows buyers to purchase a more expensive home than they possibly could with a 15-year mortgage loan.
- As of February 1, 2013, that rate increased to 3.53% for the same loan. Obviously, this is not a huge hike, but the increase isn't following the trend of the past few years by going back down. Rather, this interest rate is holding steady with projections to creep up even more. (BusinessWeek)
- The same 30-year mortgage loan is predicted to rise to 4% by the second quarter of 2013. For a proper perspective, it is important to realize that with the exception of just a few weeks, comparable mortgage loan rates have not risen over 4% for over a year. (USAToday)

- By the end of 2013, a 30-year mortgage loan's interest rate is anticipated to be around 4.4%. (BusinessWeek)
- These same loans are likely going to carry rates of approximately 4.6% by the close of 2014. (BusinessWeek)

At first glance, this may not appear to be staggering figures. You're probably wondering what I'm going on and on about, but please, hear me out. In reality, this seemingly small 1.29% rate change estimation could potentially cost homebuyers literally tens of thousands of dollars over the life of their loan. I don't know about you, but I could think of quite a few adventures I could take and investments I could make with that kind of cash. Here, let me help you see what this 1.29% really means for homebuyers.

Let's say that a buyer takes out a 30-year home mortgage loan for \$300,000 in December of 2014. This is opposed to the first quarter of 2013 when interest rates are approximately 1% less. That seemingly insignificant 1% or so will cost that home buyer \$3,000 more per year in interest payments. Yes, that is correct. That 1% difference will accumulate to cost a homebuyer in this situation around \$90,000 over the life of their loan. That caught your attention, didn't it?

How Rising Interest Rates for Buyers Affect Your Bottom Line

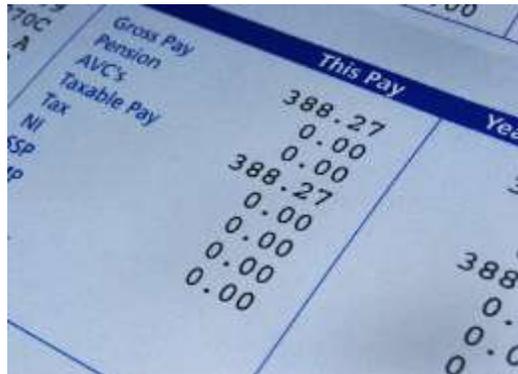
But wait! You're selling your home, not buying it! What difference does all of this make to you? It's really quite simple, friends. If you sell right now, the people who are in the market to buy want to do so quickly before interest rates creep up any higher than they already have! They want to take advantage of an opportunity to get more home for less money in the long run. Buyers just need homes to snap up!

Additionally, by making a purchase now, buyers can afford to pay you more money for your home. You see, the lower interest rate makes their monthly payment more affordable *right now*. See how that works? A lower interest rate translates into buyers being able to pay more to you presently. That won't be the case next year. Now is the time for you to act and get that baby up for sale.

Keep in Mind...

It will also benefit you to keep another little detail in mind. If you are planning to purchase a new home once you have sold the one you're currently living in, it would be simply grand for you to take advantage of this prime, low interest rate situation, as well! Not only could you make more money on the sale of your property, you could also come out with a lower monthly mortgage payment on your new home! In the event that you are both a home seller and a future homebuyer, these are important facts to consider.

Reasons You Should Sell Your Home Right Now #2: Payroll Taxes Affect Future Sells



	This Pay	Year
Gross Pay	388.27	
Pension	0.00	
AVCS	0.00	
Taxable Pay	388.27	
Tax	0.00	
NI	0.00	
SP	0.00	
	0.00	

If you bring in less than \$113,000 annually, you've probably already felt the squeeze on your paycheck since the beginning of 2013. This is when the payroll tax that provides funding to Social Security was reinstated to its 2010 high of 6.2%. (CSNBC) Families of lesser incomes are feeling the pinch far more than those of higher revenue. This can have a huge, negative effect on your chances of selling your home for top dollar if you continue to wait to get back out in the market.

Right now, we're just in the beginning stages of this payroll tax. However, over time, potential homebuyers are going to start looking for ways to cut corners and ease their financial burdens a little. This kind of tax has a way of only feeling more and more burdensome with time.

With that being said, people who are in the market right now are willing to pay a higher price for your property than they might be in a few months. By then, this payroll tax burden really begins to take its toll. Take advantage of the opportunity to sell your home at top dollar right now. You'll also be helping current homebuyers get the benefit of cashing in on the current low interest rates, too.

Reasons You Should Sell Your Home Right Now #3: Simple Supply and Demand

Supply and demand is an economic principle that is at work in the real estate market today. After the housing market collapsed in 2006, there was a huge surplus of homes up for sale, but there were few consumers demanding to buy them. New construction projects came to standstills, many of which have never been completed. Foreclosures skyrocketed, and people who were asking a price that their home was actually worth were routinely shot down in favor of a deal.

There were just too many houses and not enough eligible buyers to turn the market around quickly. This is the negative side of supply and demand. When there's too much supply (in this case I'm speaking of homes) and not enough demand (or sellers to buy said homes) prices on the supply drop exponentially. Nearly anyone serious about selling a home at that time had to let their property go for a deal, or be stuck with it indefinitely.

Thankfully, that trend is beginning to turn around now, some seven years later. You should absolutely take advantage of the beginnings of a prime supply and demand situation for you, the seller. While 2006 and the immediate time thereafter worked against sellers, the market environment right now is leaning toward the seller's favor!

Demand is High

According to the Existing Homes Sales Report, which is provided by the National Association of Realtors, there is much for you to be hopeful for if you put your home on the market right now. According to their report, our economy hasn't seen houses move as swiftly as they currently are since 2007. Actually, annual sales rose from 2011 to 2012 by 9.2%! What does that mean for you? It means that you need to get yourself in gear, put your home on the market and get it sold. There is a surplus of buyers waiting to just snatch it up!

Supply is Low

On top of their being more buyers who are serious about purchasing your property, there is also a huge shortage of homes actually available on the market. Practically everyone is waiting for the big market turn around that will get them the best price for their effort...in theory. In reality, right now is the time to move. Less competition is great for you as the seller! Can you imagine? There literally hasn't been this few homes available in eight years. (kcmblog)

Let's Break This Down, Shall We?

- Think about the little fact that there are fewer homes up for sale right now than there have been since 2005. Okay, have you absorbed that bit of information?
- Combine that knowledge with the well-supported information stating that there are more buyers gobbling homes up than there have been since 2007 for just a teensy weensy minute.
- Ding-ding-ding-ding! Did you get? As the seller, supply and demand is currently working in your favor. Buyers want homes, but there aren't many to choose from. You just won a ton of more interested viewers simply because there isn't near as much competition as usual.

- You might even be able to demand more money for your home in this kind of situation, not to mention that there is the distinct possibility of selling it more quickly.
- Buyers are shopping for homes, and you need to take advantage of the situation by selling your little piece of heaven to them soon!

Reasons You Should Sell Your Home Right Now #4: Low Interest Means Buying Power



Although all of the above points are compelling reasons to sell your home right now, they are not the most convincing argument to support your cause. Actually, the fact that the current low interest rates provide homebuyers far more buying power is the single most important reason to put your house on the market immediately.

You see, when interest rates are low, potential homebuyers have the ability to get approved for bigger loans far more easily. The reasoning behind this phenomenon goes a little something like this; the borrower will have less money for interest costs pushing their monthly bill up, so they can afford to get a loan for a larger amount. A little more simply stated, the lower interest rate a buyer locks in on, the bigger the loan they are actually able to obtain.

Let's see if I can make this a little more clear with an example. Keep in mind that this is an approximation, and not at all accurate down to the penny. However, it can give you an idea of the way that your interested homebuyer's buying power greatly affects the price that you are able to get for your home.

Let's presume that you agree to take \$280,000 for your home, and that this is a price your home will stand for. Right now, your buyer could quite potentially obtain an interest rate of 3.3% - 3.5%, which is a little higher than the lowest we've seen in recent years, but still quite low as compared to the 1990's and incredibly low compared to the 1980's.

Surprising Facts

- During the 1990's, 6% - 7% interest rates were considered rock bottom.
- However, in the 1980's buyers were tickled pink to get a rate of 12%, and a 20% rate wasn't uncommon for a home mortgage loan. Wow, right. (ohioprettyhomes)

Example of a Current Borrower's Buying Power

Okay, back to the scenario at hand. Your buyer's just got a loan approval for \$280,000 at a 3.3% interest rate over a 30-year mortgage loan term. Of course, they offered a 10% down payment, as well. This will give them a house payment of approximately \$1,100, which is well within their budget. Great!

Example of a Borrower's Projected Buying Power in 2018

Now, let's look at this same scenario, but let's pretend that we're looking at the projected interest rates for 2018 at a rounded figure of 4.5%. Everything else surrounding your buyer's loan is the same. They are seeking a 30-year mortgage loan, and they need their monthly payment to be affordable at \$1,100 per month.

Well, the only way to make that happen at this point is for you to drop your home's fair price from \$280,000 to \$240,000. That 1% interest difference means that you're either going to have to wait for more buyers to come along who can actually afford a payment higher than \$1,100 per month. On the other hand, it could mean that you make \$40,000 less profit than you would if you sold your home in today's market. And to think, you and your buyer could have benefited if only the move to buy and sale had been made sooner. (ohioprettyhomes)

I highly recommend that you go ahead and put your home on the market while a borrower's buying power is strong and steady. More than anything else, a strong buying power is going to assist you in getting the very best price for your home.

By moving forward with your sale, your buyers win because they have a great home that is worth the price they are paying. Likewise, they can actually afford to make their mortgage payment without too much sweat, blood and tears. You win because you didn't have to drop your asking price exponentially just to get it to sell, and you were able to make a sell quickly because your buyers knew they were getting a deal. Everyone is happy and you all benefit from this situation.

I know that trying to sell a home after the horrific debacle the market has been through is quite frightening, but what I am presenting to you is backed by solid, trusted facts and projections. I understand your concerns, and simply want to see you make the best of an excellent money making situation.

Even if you haven't had luck in the past selling your property, I can most assuredly help you to get your home moved in the here and now. Please, feel free to contact me in the event that you are ready to take advantage of this great time for selling your home quickly and for a great price. Thank you!