

Your Real Estate Advisor



To Sell... To Buy... Yes or No?

"Scared to sell your property ... Just think smart, don't wait to see what others do."

We all know the market not only is not inviting enough. As if that is not much, prices are falling now. Recently, a report written by PMI Mortgage Insurance says home values could decline across much of the country (U.S.) For how long? I keep telling people that economy leverage will only start by mid 2011. Not startling, some reports says probably up to 2 more years.

Here in Puerto Rico is not so different at all, as we can see. We only have the difference that, if it is about selling, we rather wait (3...6...9...12 months) before we could realize that we need (or have) to sell for a much lower price. We give ourselves that chance. But, if there is where we are, just evaluate how much of the "gained equity" will be lost in that year, subtract it from your asking price, and compare it with the offer you are receiving now. Probably the offer is not so bad at all.

So, if you are a potential *SELLER* picture this:

- ☐ **Contract a Realtor** - ask and examine proposals from various Realtors®, and (as I recommend) sign an *Exclusive Agreement* to get the best marketing tools.
- ☐ **Look for recent sales around your home** - that is the closest indicator of the value of your home. Be honest when comparing... for a moment, think that you are the buyer and ask yourself: would I pay that price?
- ☐ **Load the listing with pictures** - visual communication is a key factor to attract potential buyers. Your Realtor® better have an outstanding Web site; and contribute with great photos (we do not expect professional photos, but quality is a must).
- ☐ **Help the buyer with closing costs** - up to a maximum permitted by the law. There are many prospects that, although they can make monthly payments, they do not have all the up-front money to close the transaction.

If, instead, you are a potential *BUYER* realize this:

- ☐ **Consider where to buy** - dropping prices do not necessarily mean it is time to buy. There are many areas where prices are still raising. Just analyze, to a certain, can you still stand if home values drop after you buy?... and that means *how good to buy was the bargain*.
- ☐ **Home is not a cash machine** - your new home is the place where you will live. Do not assume it is a way to make money quick.
- ☐ **Appreciation is no the key** - don't make financial plans or take on debts that lean on the near-term rising value of real estate, *and that, we all do*.
- ☐ **Be cautious when shopping for a mortgage** - consider interest (fixed), origination (or discount) points. That is the key, as other costs (legal, incidental) are about the same. Get independent insurance policy quotes. Evaluate every detail before accepting a deal. Don't shop for a "comfortable payment".



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