



Maximize Your Home's Worth: Inspect it Prior to Sale

discovered during the buyer's own home inspection, since 80 percent of homes are inspected prior to finalizing the contract.

Instead, sellers should get an objective home inspection prior to putting their home on the market. This way, the house has already had a thorough once-over, and owners will be aware of any underlying conditions that will need to be repaired in order to get the best listing price.

If you've lived in a house for 20 years, you've probably learned to live with a few problems, since you see them everyday. But a potential buyer will see these as turnoffs. Generally speaking, for every \$100 of repairs a home needs, a buyer is likely to try to negotiate about \$200 off the asking price. For

high-ticket items like a new roof, moisture problems or heating/cooling/plumbing issues, a seller can potentially lose tens of thousands of dollars.

How to get top dollar for your home

- An inspection helps set a realistic selling price. The market analysis prepared by the real estate agent will help in determining a fair selling price for the home based on the prices that other homes have sold for in the area. However, such comparison doesn't usually reflect the true physical condition of the home and its systems, which may not be readily apparent to an untrained eye. A home inspection for the seller can give a good, overall picture of a home's condition.

- The listing price should reflect deficiencies. If a house has deficiencies, the price should reflect them. This will lead to a faster sale. The combination of a professional inspection report and a listing price that reflects the true condition of the house can also help minimize renegotiation of the sales price late in the deal.

- Disclosure is key. It has become a legal necessity to disclose, up front, any

problems that buyers will most likely find out on their own or through their own inspection. Failure to disclose these items/defects can mean problems for the seller later on. By having their own inspection done, sellers will be alert to these issues-which the buyer's home inspector will likely find anyway-or those that will become apparent once the buyer moves in.

- Make repairs before you sell. By having a home pre-inspected, sellers can turn their home into a winner. For example, if the roof needs major repairs or if the bathroom has an ongoing leak, a potential buyer is likely to negotiate the cost of these repairs off the listing price up front. The seller may save half the profit by fixing the roof and any other items on their own, positioning re-caulked bathroom tiles and new roof shingles as new upgrades or improvements versus just a needed repair.

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By Richard Grunder

A new crop of television shows designed to boost the value of a home for sale by making cosmetic improvements point out the fact that a few, inexpensive updates can make a home much more attractive to potential buyers. However, a new coat of paint, organizing the clutter and re-arranging furniture to make rooms look bigger, won't make up for expensive structural or systemic problems that will likely be

Young Adults Discover Appeal of Buying Home

By Caron Alarab
Detroit Free Press

In a real estate market of record-low interest rates and down payments that can be waived, it's no surprise that homeownership is on the rise. During the past decade, however, the rate of homeowners younger than 25 has surpassed all other age groups. According to the U.S. Census Bureau, the rate of homeowners who are younger than 25 has jumped 69 percent - from 14.9 percent in 1994 to 25.2 percent in 2004 - as teens and people in their 20s choose to own rather than rent.

Don Precour, regional sales manager for National City Mortgage, said he has seen an increase in the number of younger buyers, who still account for less than 10 percent of his clientele.

"When you look at rental rates, most people are better served as homeowners," he said.

Precour said one big reason for the increase in the number of young owners is the availability of mortgage programs that require little or no down payment.

"When I bought my first home at 23, I had to put 20 percent down," Precour, 45, said recently. "With our programs, it could be ... \$500 or less."

According to 2004 U.S. Census figures, the majority of homeowners younger than 25 - almost 28 percent - are married.

Mark Johnson, assistant vice president and district manager for GMAC Mortgage, said tax deductions and equity are the major financial benefits to owning a home.

Johnson said he believes the number of mortgage clients younger than 25 is

climbing, although the firm does not track its business by age groups.

"It's a lot higher than when I first started," said Johnson, who has been with the company since 1992.

While GMAC offers various down-payment options for young mortgagers, Johnson said good credit is the key to low monthly payments.

"More and more, everything is credit-score-driven," he said.

Allen Goodman, economics professor at Wayne State University, agreed.

He said mortgage companies are making home buying as easy as possible if the buyer's credit permits. Goodman said that with inexperienced buyers, there is the risk of money mismanagement.

"There can be a tendency to stretch yourself to the limit," he said, adding that variable-rate mortgages can catch young owners off guard. "You find yourself in a situation where your income isn't going up and your payments are."

5 reasons young people are buying instead of renting

1. Expectations of home appreciation.
2. Record-low mortgage interest rates.
3. Mortgages requiring little or no down payment.
4. Decline in discrimination by lenders has resulted in more opportunities for young buyers.
5. Homeowner training and counseling services through public housing authorities and nonprofit firms.

Source: George Calster, Clarence B. Hilberry professor of Urban Affairs at Wayne State University