

BRANDING IRON REALTY

Real Estate Market Roundup

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Selling Your Home? Make Sure the Price Is Right!

In today's market, where demand is outpacing supply, pricing your house correctly is one of the biggest challenges in selling your home. Sellers often want to price their home higher than recommended, and many agents go along with the idea to get the listing. However, the best agents realize that telling the homeowner the truth is more important than getting the seller to like them.

There is no "later." Sellers sometimes think, "If the home doesn't sell for this price, I can always lower it later." However, research proves that homes that experience a listing price reduction sit on the market longer, ultimately selling for less than similar homes.

John Knight, recipient of the University Distinguished Faculty Award from the Eberhardt School of Business at the University of the Pacific, actually did research on the cost (in both time and money) to a seller who priced high at the beginning and then lowered their price. His article, [Listing Price, Time on Market and Ultimate Selling Price](#), published in Real Estate Economics revealed: ***"Homes that underwent a price revision sold for less, and the greater the revision, the lower the selling price. Also, the longer the home remains on the market, the lower its ultimate selling price."***

Additionally, the "I'll lower the price later" approach can paint a negative image in buyers' minds. Each time a price reduction occurs, buyers can naturally think, "Something must be wrong with that house." Then when a buyer does make an offer, they low-ball the price because they see the seller as "highly motivated." Pricing it right from the start eliminates these challenges.

Don't build "negotiation room" into the price. Many sellers say that they want to price their home high in order to have "negotiation room." But, what this actually does is lower the number of potential buyers that see the house. And we know that limiting demand like this will negatively impact the sales price of the house.

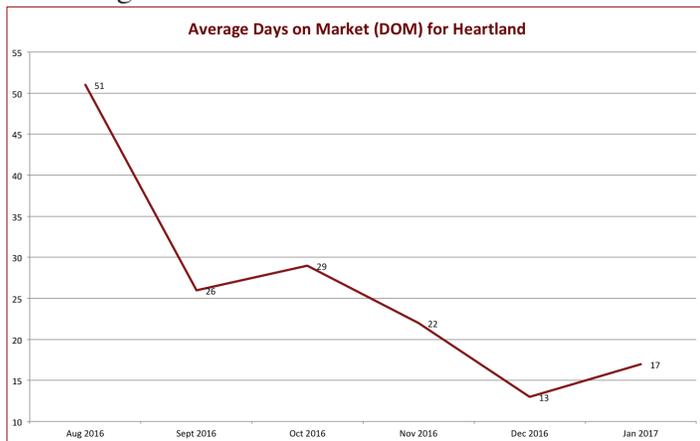
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Average Days On Market (DOM)

Average Days on Market (DOM) is the amount of time it takes for a listing to receive an acceptable offer and go under contract. Which basically means how long it took to sell a home.

In a balanced market it typically takes approximately 6 months on the market for a home to sell. Heartland remains in a seller's market where it takes less than 1-2 months to sell a home. In fact, 69% of the properties that were listed in Heartland in January, are already under contract or SOLD!!!

The chart below that shows the change in DOM since August 2016.



Ask the Agent:

How can I balance needs versus wants as I home-shop?

Here's the trick to buying your best house: know what you need. Really, you only need a solid roof, good floors and walls, plumbing, heating, and lighting. Everything else is preference.

Imagine your dream home. Review each item that makes it ideal. Ask which items you could live without and which ones you would pay extra to have. Embrace delayed gratification. Items you want are often those you can add later. You can change features such as light fixtures, countertops and paint. Answering these questions can help you determine budgets for the home purchase and future renovations.

Make a list. Think about a home's different features: bedrooms, bathrooms, lighting, landscaping. List characteristics of each. Determine which ones you need to have, would like to have and don't want. This will help you avoid looking at homes you know don't interest you.

Should You Sell Your Home Yourself?

Despite the prevalence of online tools that can facilitate DIY sales, fewer Americans are choosing to go the route of "for sale by owner" when it comes to selling their homes. According to the National Association of Realtors (NAR), for-sale-by-owner sales represented only 8 percent of 5.25 million real estate transactions in 2015. Why? An economy in recovery, a challenging real estate market, and strict laws and regulations could all have Americans looking for security and peace of mind when it comes to selling their homes.

The for-sale-by-owner approach does have perks. Private sellers can set their own price. They deal with the buyer directly. At the end, they keep the proceeds instead of paying a commission to a REALTOR®. However, those very same perks have significant drawbacks.

Setting your own price means missing out on the expertise that a REALTOR® has when it comes to pricing a home to sell and encouraging multiple bids. You don't have the know-how that comes with dozens of successful sales. It's easier for buyers (and their agents) to undercut private sellers, and it's difficult for sellers to remain neutral about their own property.

Private sellers also miss out on the strategies and industry knowledge provided by an experienced agent. A REALTOR® knows how to market a home properly, how to work with other agents, and how to fulfill the obligations and respect the laws of the real estate industry. It's very easy for private sellers to misstep, costing themselves time and money.

As a seller, you want every advantage available. That means having a REALTOR® by your side.

Quick Quiz

Each month we give you a new question. Just email us at TPugh@BrandingIronRealty.com or call 972-971-4929 for the answer.

Who said: "A rose by any other name would smell as sweet"?

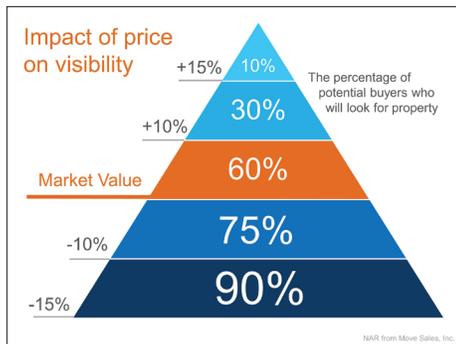
Thanks for All Your Referrals!

We succeed when people like you refer us to your friends, neighbors and loved ones. It's the best kind of feedback we can receive. So thank you for continuing to pass this newsletter on to people you care about.

Cont. from page 1 - Make Sure the Price Is Right!

Not sure about this? Think of it this way: when a buyer is looking for a home online (as they are doing more and more often), they put in their desired price range. If you want to sell your house for \$400,000, but lists it at \$425,000 to build in “negotiation room,” any potential buyers that search in the \$350k-\$400k range won’t even know your listing is available, let alone come see it!

One great way to see this is with the chart below. The higher you price your home over its market value, the less potential buyers will actually see your home when searching.



Wondering How Much Your Home Is Worth?

How has the price of your home changed in today’s market? How much are other homes in your neighborhood selling for?

If you’re wondering what’s happening to prices in your area, or you’re thinking about selling your house, I’ll can help. Just give me a call for a no-fuss, professional evaluation.

We won’t try to push you into listing with us or waste your time.

We just give you the honest facts about your home and its potential sales price.

Just give us a call at 972-971-4929 to arrange an appointment.

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A better strategy would be to price it properly from the beginning and bring in multiple offers. This forces these buyers to compete against each other for the “right” to purchase your house.

Look at it this way: if you only receive one offer, you are set up in an adversarial position against the prospective buyer. If, however, you have multiple offers, you have two or more buyers fighting to please you. Which will result in a better selling situation?

The Price is Right. Great pricing comes down to truly understanding the real estate dynamics in your neighborhood. A REALTOR® will use homes similar to yours (comps or comparables) to create a Comparative Market Analysis (CMA) to help determine a sales price for your home. Let’s get together to discuss what is happening in the housing market and how it applies to your home.

How to Keep Your Dog Out of Your Garden

Is your pooch pawing your petunias? Here’s how to keep your dog out of your garden and away from your precious plants.

1. **Spray Nasty Odors** - Your vegetable garden is a salad bar for your dog. To keep him away, spray plants with pungent white vinegar or apple bitter. Or plant marigolds between vegetable rows, which repel dogs and other backyard pests, such as Mexican bean beetles, aphids, squash bugs, and whiteflies.

2. **Sprinkle Yucky Tastes** - Sprinkle powdered mustard or red pepper flakes around your plants. A few sniffs and licks of these unpleasant tastes will discourage your dog from returning to the area.

3. **Fence Dogs In or Out**

4. **Erect Prickly Barriers** - Place pruned rose or holly branches around your garden or plants. The thorns and prickly leaves will discourage your dog from entering the restricted area.

REDUCED - \$310,000

Beautiful 3 bedroom, 2 bath, brick home with guest house on over 8 acres in Kaufman. Property is fenced and has a large workshop. Call 972-971-4929 to see it today!



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HEARTLAND, TX HOUSING MARKET



27

Home Sales
80% Increase

\$220K

Median Price
36% Increase

1.0

Months of Supply
Favors Sellers

17

Avg Days on Market
11 day Decrease



Jan. 2017

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Based on year-over-year information from the North Texas Real Estate Information Systems, Inc., for January 2017.
Data is deemed reliable, but is not guaranteed accurate by the MLS or NTRREIS

Brie and Fresh Tomato Pasta *4 Servings*

- ½ cup finely chopped red onion
- 1-2 cloves garlic, minced
- ½ teaspoon salt
- 12 ounces (340 g) brie
- 1 pound short pasta, like farfalle or penne
- 4 cups chopped tomatoes
- ¼ cup extra virgin olive oil
- ½ cup shredded basil leaves

In a small bowl, combine the onion, garlic and salt. Cover and set aside at room temperature for 30 minutes to an hour, stirring occasionally.

Place the brie in the freezer until firm and then carefully slice off and discard the rind with a sharp knife. Cut the remaining cheese into cubes and set aside.

Cook the pasta in plenty of water until tender but firm and then drain, reserving one cup of the cooking liquid. Gently toss the cooked pasta with the onion mixture, brie, tomatoes and olive oil. Gradually add as much of the reserved liquid as needed until the brie melts and a creamy sauce coats the pasta.

Add the shredded basil and serve.

3 Questions to Ask If You Want to Buy Your Dream Home

If you are debating purchasing a home right now, you are probably getting a lot of advice. Though your friends and family will have your best interest at heart, they may not be fully aware of your needs and what is currently happening in the real estate market. Ask yourself the following 3 questions to help determine if now is a good time for you to buy in today's market.

1. Why am I buying a home in the first place? - This is truly the most important question to answer. Forget the finances for a minute. Why did you even begin to consider purchasing a home? For most, the reason has nothing to do with money.

For example, a survey by Braun showed that over 75% of parents say "their child's education is an important part of the search for a new home."

This survey supports a study by the Joint Center for Housing Studies at Harvard University which revealed that the top four reasons Americans buy a home have nothing to do with money. They are:

- A good place to raise children and for them to get a good education
- A place where you and your family feel safe
- More space for you and your family
- Control of that space

What does owning a home mean to you? What non-financial benefits will you and your family gain from own-

ing a home? The answer to that question should be the biggest reason you decide to purchase or not.

2. Where are home values headed? - According to the latest Existing Home Sales Report from the National Association of Realtors (NAR), the median price of homes sold in December (the latest data available) was \$232,200, up 4.0% from last year. This increase also marks the 58th consecutive month with year-over-year gains.

If we look at the numbers year over year, CoreLogic forecasted a rise by 4.7% from December 2016 to December 2017. On a home that costs \$250,000 today, that same home will cost you an additional \$11,750 if you wait until next year.

What does that mean to you? Simply put, with prices increasing each month, it might cost you more if you wait until next year to buy. Your down payment will also need to be higher in order to account for the higher price of the home you wish to buy.

3. Where are mortgage interest rates headed? - A buyer must be concerned about more than just prices. The 'long-term cost' of a home can be dramatically impacted by even a small increase in mortgage rates.

The Mortgage Bankers Association (MBA), the National Association of Realtors, and Fannie Mae have all projected that mortgage interest rates will increase over the next twelve months.