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NEI's Real Estate Report

NEIRealty.com

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Frequently Asked Questions

Why Do Some Homes Sell Quicker than Others?

They are priced right. Pricing is usually the number one determinant as to how short or how long a home will be on the market.

Obviously, the property has to be priced competitively, but do not set the price based upon what you heard a neighbor received for their home.

Adjacent homes can be radically different. They both may have the same floor plans, but improvements, a more desirable location in the tract, and other seemingly small variations can make a significant difference when it comes to price. In determining the right price, one of the most important traits you need is objectivity. Homeowners, naturally, have an emotional attachment to their home, and because of their feelings they oftentimes overestimate what their home is worth. Despite the attachment, try to be practical and logical. Make a competitive study of recent sales that are comparable to your home. Evaluate price per square foot, age, condition, location, schools, and extras.

Remember, that the value of your home can be impacted by developments that are not yet in place. Is there vacant land nearby? If so, what businesses, or structures will be erected there in the future? Is it a desirable addition to the neighborhood? If there is vacant land, visit the local planning and zoning commissions to see what might be built or, check with a local real estate professional to help you find out what development plans might be in the offing. He or she should also explain the elements that go into pricing and why. And, ask the associate about a CMA (Comparative Market Analysis) and what it means.

Remember, too, that little things can make a big difference once the home has been priced. Cosmetics are crucial. Spruce up the property as much as possible. A little exterior paint, some new shrubbery, and making sure that the house is always neat and clean can make a tremendous difference. The most important impression is the first-and the first thing buyers see is the exterior. It should look good.

To get an idea as to how price is determined, contact a local real estate professional. Ask them to carefully choose an associate who knows your neighborhood. In today's market, there are buyers-for homes that are priced competitively. A lack of "action," usually indicates that your property is one of those that has been priced incorrectly. Most important, be objective. Try to look at your property as if you were a buyer

going through it. What do you like? Dislike? How does it compare to other properties in the area? Is it worth more? Less?

Answer those questions objectively and you will not only be on the way to pricing your home correctly...but to selling it too.



How Can Two Similar Homes Vary in Price by More Than \$10,000?

Forgetting, for a moment, the interior improvements that set one home apart from another, there are exterior factors that also influence price. For instance, homes on primary ingress and egress streets-(that is, the main streets that lead in and out of a tract)-generally appreciate more slowly than those within the tract that are not on primary streets. Primary ingress/egress streets generate more traffic and are therefore, generally less desirable. Thus, they have lower prices. Within a tract, a home on a cul-de-sac may generate a higher price for the same reason-less traffic. Cul-de-sacs are frequently like a maze and they discourage drive-throughs, which is, of course, a definite benefit to residential privacy. Even properties on one side of a street can be worth more than a similar property across from it. Why? Certain communities, because of their name, are more prestigious than others. Beverly Hills, California, of course, is one. It is known worldwide for its high-end shopping, expensive housing and impeccable name. In sections where Beverly Hills is divided from other cities and/or communities by a street, the homes on the Beverly Hills side of the avenue command a higher price than those in the non-Beverly Hills city across from it.

Existing homes may differ radically in price for another reason-one homeowner wants to sell, and the other has to sell. The motivation for each is quite different, and so may be the pricing strategies. Some other factors that influence price: What commercial developments are adjacent to the tract? How (un)desirable are they? And, don't forget supply and demand. The wise buyer checks one other thing-a community's master plan. This is a must, especially if a tract (or home) is surrounded by vacant land. Most communities have one. It is usually drawn up by planners within the city or county and approved by a local planning commission. Find out what is going to be built nearby and determine how it might impact the value of the tract. All this, of course, takes time and homework. But, it is well worth it, especially when you consider that the purchase of a home is usually going to be the largest, single financial investment most people make in a lifetime.

Thinking of buying
or selling a home
in the near future,
please call

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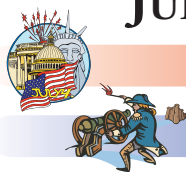
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JULY AT A GLANCE...

4 Independence Day

14 Bastille Day



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CONTRACTS (CONT'D)

What is Escrow?

Escrow is a process that begins when the purchase offer papers are signed by both parties, and ends when the loan is approved and all the necessary requirements have been fulfilled by both the buyer and the seller. The escrow holder is an intermediary, and an agent of both the buyer and seller. The escrow holder is given the buyer's deposit, and holds onto all funds until the agreement is finalized. They notify the seller when the deposit has been received and if the check has cleared the bank. The escrow holder also draws up a set of instructions, itemizing things that have to be done to the property before it is sold and the title is transferred. For example, if the seller is required to supply a termite inspection, the escrow holder would track this obligation and make it is fulfilled before any funds are transferred to the seller. Findings in the termite inspection report must be corrected on or before the close of escrow. If the report calls for a plumber, roofer or other contractor, the agent would advise the seller and get authorization for work to be done. The escrow company is typically the title company (in California). The escrow/title company provides a complete ownership history of the property and any liens on record in the preliminary title report. Anything that is out of the ordinary, such as condo liens, judgments, etc. against the buyer and the seller must be clarified prior to the close of escrow. The escrow process can be any number of days depending on what is agreed upon between the buyer and seller. To assure a timely closing, the buyer should do things like inform, the escrow holder of the name and phone number of their insurance agent as soon

as possible. The homeowner insurance policy needs to be ordered early, so verification can be made with the lender. The lender will not fund a new loan without a homeowner policy. If there is a delay, the escrow process may be held up.

Closing Costs

First, the responsibility of who pays for closing costs is always negotiable. Local custom may dictate which fees the buyer will pay and those the seller pays. Typically, the buyer pays for home inspection services and escrow, deed preparation and recording fees, depending upon what is customary for the county the property is located in. He or she may also pay for title insurance, since this is required by the lender. The buyer is also responsible for any fees or costs associated with obtaining the purchase loan. The seller customarily pays the real estate agent's commission, as well as costs associated with transferring an unencumbered title, such as a title search, reconveyance deed and documentary transfer tax. Often, a seller will sweeten the deal by offering a one-year home warranty. Who will pay for what closing costs customarily differs from county to county and should always be clearly spelled out in the purchase offer. A creative sales associate will consider the cash, income and tax situation of the home seller and the buyer when constructing an offer. For instance, if the buyer is short of cash, the agent may ask the seller to pay the buyer's loan points up front in exchange for some other concessions from the buyer. In this scenario, the buyer and seller benefit and both get what they want.



Summer has finally arrived and there's lots of fun to be had until camp starts or September rolls around again! Find exciting ways to celebrate the end of the school year and activities to keep bored kids busy on rainy days.

Loads of Corn

Husking fresh sweet corn together is a great way to turn a tedious task into a fun family activity. If you've got lots of guests coming over, set up a garbage in the middle of a circle of chairs and chat while you prep your corn. Make sure to have butter and salt at the ready once all the ears come off!

4 ears of corn, husked

Butter

Olive oil

Salt to taste

Lay the ears directly on the grill over very hot coals. Grill turning to brown them evenly, for 5 to 7 minutes. Season them to taste with butter, olive oil and salt.



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**Call ANTHONY today for your FREE Market Analysis:
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