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10 Ways To Make Your Home More Salable

by Peter G. Miller

There's little doubt that the real estate marketplace is now in transition. Sale volume has begun to weaken and in many markets the days of quick sales and multiple offers are going or gone.

"The cooling from overheated sales conditions in recent months is helping to bring inventory levels up to the point where buyers have more choices than they've seen in the last five years," says David Lereah, NAR's chief economist. "Annual price appreciation is still running at double-digit rates, but the cause of those sharp increases is going away. As the market readjusts, price appreciation should return to more normal rates of growth this year."

Translation: Homes are not selling as quickly as before -- that's good news for buyers. Sharp increases in value are moderating -- that's also good for buyers. Values are not falling -- that's great news for sellers.

Meanwhile, the National Association of Home Builders says that permits for new construction for February fell by 3 percent when compared with a year earlier.

Neither the existing nor new home unit declines should trouble anyone. These changes follow record year after record year, a pace that's not sustainable. The good news is that the changes are modest rather than manic.

The catch is that a softer marketplace means sellers will have to fight harder to get top prices and quick sales. Here are 10 ways to get more out of your local marketplace.

- **Go for the junk -- and get rid of it.** A house with less stuff looks bigger and roomier. If what you want to throw out can have value to others, see if you can help by donating goods to local charities.
- **Price within reason.** Trying to sell a home for \$700,000 when like homes go for \$525,000 is a non-starter. The days of "testing" the market with huge price increases is finished in many areas. Overprice and you won't be competitive.
- **Use the best local broker you can find.** Experience, connections and reputation can be a real edge when marketing a property.
- **Require your broker to have a marketing plan that makes sense for you and your property.** The technique that sells one property may not be appropriate for another, so find the approach that's right for you.
- **If the home doesn't sell within a reasonable time period, think about changing the deal rather than lowering the price.** In other words, rather than

cutting the price from \$500,000 to \$480,000, instead keep the \$500,000 price and offer a 2 percent "seller contribution" to help a buyer pay for closing costs. This approach is cheaper (\$10,000 in closing cost help rather than a \$20,000 price reduction) plus it gets to the real need of many buyers, closing assistance.

- **Have a home equity line of credit in place -- even if you don't expect to sell for several years.** This way you can have funds available if you want to buy a replacement home while the current property is being sold. Just be aware of the risk -- if your current home does not sell in a reasonable period you could face lots of mortgage payments.
- **Make sure everything works -- and nothing leaks.** Expect buyers to ask for a home inspection and be prepared to make reasonable repairs if requested. Remember that it may be better to upgrade an electrical service box than to look for a new buyer.
- **Find out what buyers thought after a showing or open house.** Don't take negative comments personally. Look for ideas that can help you make a better impression with the next prospect.
- **Beware of buyers who want you to take back financing.** At a time when loans with little or nothing down are available from every lender, don't go into the banking business and take back a loan when there is less risk to you with an outright sale.
- **Don't get upset with small inconveniences.** If a prospect wants to see a home with little notice or at an odd hour, don't worry about it. It's better to show the property than to have a home which is both undisturbed and unsold.

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Making Millions through Real Estate

by Phoebe Chongchua

Many of the richest people in the world have earned their wealth through real estate. That's why real estate investing is touted as the avenue to riches, but while it is estimated that 80 percent of the world's wealth is held in real estate it is owned by a very small percentage of the population -- less than 20 percent, according to a new book on real estate.

Lisa Vander is founder of Pacific Blue Investments, a real estate investment advising company, and author of *The Real Guide to Making Millions through Real Estate: Start Your Own Portfolio With as Little as \$3000*.

Her nearly 300-page book details how to begin the investing process. Filled with tangible information, worksheets, and hot tips -- you have a wealth of knowledge in one resource book.

Here are some tips from the book on what investors need.

Have an understanding of the timing of the market.

"You've got to understand how the market cycles so that you're not disappointed or having unmet expectations when the market is going to do what it is naturally going to do, which is go up and down," says Vander.

Have an understanding of how to analyze real estate numbers.

There are four parts of understanding the numbers of real estate: appreciation, cash flow, loan reduction and tax benefits and how they work together to produce a rate of return on equity that you have in a property.

"You're shifting your mentality from an 'Oh, the property is gaining in value' which is appreciation to how hard is the money, that I have in the property, working for me," explains Vander.

Have an understanding of the economic environment where you hold real estate.

"How diverse is the economy that I am putting my money/capital into and what's the likelihood of my investment being there today, tomorrow and into the future," says Vander. She says there are six economic indicators to consider that help to determine the health and viability of a market where you plan to

invest in real estate. They are: mortgage interest rates; affordability indices; supply and demand; demographic information; commercial real estate; and health of the job market.

Vander also points out that, savvy investors take time to research both macro and micro economics when purchasing real estate.

"Macro economics is the study of how large economic forces impact the health and stability of an economy," writes Vander. She says things such as: recessions/depressions; nationally based loan interest rates; wartime; and demographics of the nation are areas that investors should research.

Micro economics is a look at individual sectors of the economy, concentrating on local and regional areas. Vander names the following as factors that will affect real estate: local and regional recessions/depressions; local or regional disasters; age; seniors; youth; diversification of the job market; unemployment rates; affordability indices; supply and demand; new housing starts; existing housing for sale; permits being pulled; commercial real estate; types of vacancies.

Making millions through real estate is possible and with the help of Vander's new book -- how to do it is no longer knowledge just for the wealthy.

APRIL AT A GLANCE...



1 April Fool's Day



14 Good Friday



16 Easter Sunday



17 Tax Day



26 Admin. Prof. Day



28 Arbor Day



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