

Nine tips to sell your home in 2010

WASHINGTON – March 3, 2010 – Signs of a recovery in the real estate market indicate this may not be the “Winter of your Discount Tent.” Home sales, value and mortgage applications have risen slightly as mortgage rates stand at a historic low.

This slight glimmer of positive news is offset by estimates that about 48 percent of all U.S. mortgages will be underwater by 2011. Foreclosures and short sales continue to plague the market, keeping a lid on home prices. As a result, 2010 will continue to be a buyer’s market.

That doesn’t mean, however, that all hope is lost of selling your home this year. Here are nine tips to sell your home in 2010.

1. Don’t wait for a recovery

Home values aren’t likely to rebound to previous highs for several years, perhaps even a decade. While you may face a loss by selling now, that negative figure may only be a paper loss, particularly if you’ve owned your home for some time.

2. Make improvements

If you have access to credit, invest in improving and repairing your home before placing it on the market, rather than trying to go for a quick as-is sale. Rehabs are more affordable now, thanks to the availability of low financing, reduced construction materials costs and lower contractor charges. Focus on upgrades to kitchens and bathrooms, especially counters and cabinets, as these yield the highest returns. Get three different estimates from contractors and add another 10 percent for unexpected costs.

4. Hire professionals

You need professionals, not friends or relatives, to repair, upgrade and sell the biggest investment you’ll likely own. Ask for credentials, references and a history of recent performance. Your appraiser should have at least five years experience with an appropriate license or certification. The same applies to hiring a home inspector. Talk to at least two or three appraisers and inspectors before selecting one.

5. Get downpayment assistance

Federal and local governments offer several downpayment assistance programs for first-time home buyers. Look for other city, county and state programs that will piggyback on federal programs for assistance. Search for “downpayment assistance programs” with the name of your region.

6. Take Uncle Sam’s help

The \$8,000 first-time homebuyer tax credit program that helped jump-start the real estate market in 2009 has been extended into 2010 and expanded. First-time

homebuyers qualify if they sign a binding contract to buy a home by April 30 and close by June 30. The program's maximum income limits have jumped from \$75,000 to \$125,000 for individuals and from \$150,000 to \$225,000 for couples.

A separate \$6,500 tax credit has been added for those who have owned their homes for at least five years and want to upgrade. Homeowners drowning in their present real estate loans are eligible for a loan-modification program with their current mortgage company or loan service through the Making Home Affordable Program (<http://makinghomeaffordable.gov/>).

7. Price accordingly

Listings move when a property is appropriately priced. Others gather dust because the owners haven't adjusted their expectations to the present market. This doesn't mean, however, you should severely drop your price on a well-maintained home to avoid extended problems. Research your market and price accordingly.

8. Energy tax credits

Through Dec. 31, homeowners who buy and install specific energy-efficient windows, insulation, roofs, doors and heating and air-conditioning equipment can apply for a 30-percent tax credit of up to \$1,500 of their costs on each product.

Go one step further and earn a 30-percent tax credit through 2016 (without a spending limit) when you purchase such energy-saving products as solar energy systems, geothermal heat pumps, small wind systems, residential fuel cells and micro-turbine systems. Visit EnergyStar's Federal Tax Credits for Energy Efficiency (<http://www.energystar.gov/index.cfm?ctax-credits.tx-index>) for a complete summary.

9. It's not personal

Buyers want to imagine themselves in your house for years to come. Excess decor and knick-knacks distract from this vision. Ask your Realtor's advice or hire a home stager to bring your house back to zero before beginning to show it. A general rule of thumb is to eliminate or store at least half the items in every room.

Don't get defensive about colors, design patterns or flooring you installed. Just grit your teeth and think of the closing check while your agent serves as a buffer. Remember the customer is always right, unless, of course, they're low-balling you.