

Tips For Selling Your Current Home

If you are thinking about selling your current home so that you can downsize, then you have taken a big step forward to make this life-change. Though it may seem daunting, if you work with a capable real estate agent, the journey can be comfortable for you.

Hiring The Best Real Estate Agent

You are hiring someone for whom you will pay a lot of money to do the job right for you in this partnership. They will become your ally in getting the best price in the least amount of time, so you see how important this is. Your agent should have a personality you like, experience in selling, and familiarity with your neighborhood and city. The best place to start is to ask you friends and neighbors for recommendations. Then research the qualifications these agents have through their Websites, and you can also check them out on a site like Yelp.com or with the Better Business Bureau. Plan to interview three of them to find a good fit. Note: It is bad form to interview agents within the same office.

This allows you to see how polished they are and how they would propose selling your property. They will also have an idea for a selling price. Most likely they will apply “comparable” selling prices for a home of your size and in your general area. Sometimes that is accurate, but not always. The improvements you have made to the property will affect the price. The right price is always the price someone is willing to pay for your home. Home prices fluctuate. If the market is softening where you live, it is probably softer where you are moving to as well and you will see a price drop at both places. The prices typically move up or down together. Because your next-door neighbors sold their home one year ago for \$2M doesn't mean that it will be the current market price.

As the seller, you want to know how the agent will market your home. Some questions you might ask:

- Do they use direct marketing? local advertisements, flyers? open houses? online marketing?
- How will they communicate with you: text, phone, email and what is their availability during your contract with them?
- You could also ask if they have any references for nearby sales.
- Will they provide information regarding showings and subsequent feedback?
- Do they see any difficulties with selling your home? Do they have staging suggestions?

Their input could be very valuable.

Once selected, you should let the other candidates know your decision besides the agent you are going with. You will then sign a contract with that agent. It is up to you to understand it and/or have your lawyer review it. Note: All fees are negotiable, but top agents usually charge the most.

Guidelines For House Showings

You can't sell a house without having people see it. In the beginning, it is usually an announced real estate agent tour. You will typically benefit by being listed by Multiple Listing Service (MLS) so that all the local real estate agents are aware of your property. After that, it is up to you

and your agent when and how to show your house, by appointment only or by a scheduled open house.

The first thing buyers see is your curb appeal. This is still true, “You only have one chance to make a first impression.” Go outside and be critical of how your house looks from the street. Are there dead plants? Do the trees need pruning to let in more light? Does the exterior need painting or will a power wash do the job? Keep any lawns green and mowed. Would the addition of some blooming plants improve the look? Are your house numbers readable? Are your trash cans visible?

Now go room-by-room and look at each with a critical eye. You should follow these rules:

1. Clean. That means clean everything until it sparkles. People are the most critical of kitchen and bathroom cleanliness. Clients will even open cupboards and closets. If you need to paint, select neutral colors like white, beige, or gray. How does your house smell? The scent of cookies baking will lure people whereas kitty litter box odors will not!
2. Declutter. Remove excess furniture. You want your rooms to look spacious not crowded. It’s worth it to put some things in the garage or into storage. Also, if your furnishing is extremely stylistic, besides decluttering, you might consider getting it staged in a very simple way. Remove as much as you can from kitchen and bathroom counters.
3. Depersonalize. That means remove your collections and family galleries. Buyers are trying to envision how they will fit into your space.

Words to the wise, before any open house, remove your valuables and secure them. Reduce the amount of clothing in the closets. Turn on the lights and open all the shades or drapes to look the lightest. Make your backyard look well-kept and inviting even if that just means adding mulch to areas. Otherwise, prune, cleanup, and add blooming plants. For an excellent checklist, go to <https://professionalstaging.com/staging-tips/sell-your-home-faster-the-ultimate-home-staging-checklist/>

You might consider having your own professional home inspection done. If major problems are discovered, you are better off getting them professionally repaired than turning off a buyer with surprises when they order their inspection.

Should you put a lot of money into remodeling? That’s a tough question. Dirty carpets and outdated appliances can be a turnoff. But sometimes people put a lot of money into such things only to sell to someone who tears all of those upgrades out. Confer with your real estate agent for advice.

Options For Handling The Proceeds

You have now been confronted with multiple offers. Hooray! Review these with your agent and decide which one you want to accept. What do you do with the proceeds? If you have owned

your home for a long time, you may likely have a capital gains tax. Ways to work around this to try to minimize it should be discussed with your financial planner or Certified Public Accountant (CPA). Content here can vary by your locality and advisor.

- If you have lived in the property for at least 2 years out of the last 5, it is your primary residence and not viewed as an investment. You are then eligible for a capital gains tax exemption of up to \$250,000 (or \$500,000 if you're married).
- Know your cost basis and have a record of that.
- Have records and receipts for all major home improvements and upgrades made to the home. A capital improvement increases your home's value like adapting the house for new uses. If you add a big window, it's an improvement. If you replace a broken window, it's maintenance.
- It can be beneficial to sell your home in a year when your income has been reduced which can affect your overall tax rate.
- Read about the advantages offered by Tax Code Section 1031 exchange to profit on business or investment properties without paying capital gains tax.

Moving Help

There are companies whose sole purpose is to help you move. These are not recommendations, but helpful links to organizations that might interest you pare down, pack, plan space, evaluate, sell off excess items, and more.

- National Association of Senior Move Managers <http://www.nasmm.org/>
- Senior Moving Assistance <http://www.seniormovingassistance.com/>
- Certified Relocation and Transition Specialists <http://www.moveseniors.com/>
- Creating Comfort <http://www.creatingcomfort.com/index.html>
- Unexpected Treasures <https://www.unexpectedtreasures.net>

Hopefully, this information will help you with the process of selling your home so that you can take advantage of the lifestyle you deserve when you are ready to move to The Hamilton.

Possible Bonus After Moving

Proposition 13 established the foundation for a base year value for property tax assessments, and limitations on the tax rate and assessment increase for real property in California. Passed by voters in June 1978, Proposition 13 is an amendment to the California Constitution. Proposition 13 provides three very important functions in property tax assessments in California. Under Prop 13, all real property has the following

1. An established base year value of 1975-1976. Properties that have not sold or undergone new construction since February 1975 are said to have a 1975 base year value. When a property changes ownership, that property gets a new base year value. That could happen when you move to The Hamilton. However, it may be possible for you to take your original base year value with you and continue to pay a low property tax rate.
2. A restricted rate of increase no greater than 2% each year.
3. A limit on property taxes to 1% of the assessed value unless the voters have approved some additional tax such as a school district bond.

Proposition 13 Base Year Value Transfers to The Hamilton

Under Proposition 60, a property owner of at least 55 years of age can transfer the base year value of their primary residence to their new residence under expressed circumstances. The new residence must be of equal or lesser current market value and be within the same county or from a county that has a reciprocal agreement in place. This is a one-time only benefit except if you become physically disabled and must move again to accommodate the disability, then you can have an additional transfer.

Santa Clara County, where The Hamilton is located, has implemented the provisions of Proposition 90 which allow inter-county transfers of Proposition 13 base-year property tax values for homeowners 55 or older. Only some California counties have implemented the provisions of Proposition 90. Some other counties allow inter-county base year value transfer, and you should check into those if it is pertinent to you.