

# REAL ESTATE



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Saleability - what makes your home sell?



Jim Fite & Jan Fite Miller



## Saleability - what makes your home sell?

Your home is the biggest investment you are likely to make - so how do you keep it "Saleable"? This month we explore what gives your home maximum saleability.

## 2-Minute 411 with Jim Fite

### Protecting your investment with SMART renovations

Your home is your castle! It is where you relax, love, live, grow, and express your individuality – it is also the biggest investment you will ever

## Real Estate 411 - To the homebuyer or the homeowner, saleability matters!

### What makes a house sell?

Whether you are a homeowner thinking about selling or a homebuyer in the market for a new home, saleability matters! You want to make sure you are taking care of and getting the most from your real estate investment. This month we are exploring the keys to making your home more appealing to the buyer, AND how to add value to your real estate investment. There are many ways to do both – from home improvements to “fixing up” before your home goes on the market, to pricing and location – they all factor in to your home having “saleability”.

### What makes a house sell?

A successful sale requires that you concentrate on six considerations:

1. the listing price
2. the terms of sale
3. the condition of your house
4. location of the house
5. accessibility, and
6. Marketing exposure your house receives.

While some of these factors are beyond your control (such as the list price the market demands), you can compensate by taking advantage of other items, like a new paint job or landscaping the front yard, to make your property as attractive to prospective buyers as possible.

### What about home improvements?

Renovating your home for sale may or may not be a wise move depending on how much you plan to spend. In some cases, a home is in bad shape and the money must be spent to make it salable. On the other hand, spending too much may represent a loss. It is important to discuss with your real estate agent how much home improvement upgrades needs to be done. A new toilet, sink, and shower stall in your bathroom, a new paint job for the first level floor, and new kitchen sink fixtures might create the best overall value for the least investment. Your agent can tell you after an evaluation what aspects of your home are a liability and which problems will actually kill the sale. An experienced agent will know what they need to fix to make the sale. Other issues can be negotiated.

Statistically, there is only one improvement that a homeowner can make which will actually produce a profit when the home sells. We call it “Paint & Petunias”. Yes, it’s curb appeal. Research available from the Real Estate Center at Texas A&M University tells us that paint touch up and minor landscaping will actually return 109% of its cost. It is interesting to note that research shows **yellow flowers** are the most appealing to prospective homebuyers.

The same Real Estate Center report says that other fix-ups and updates return less than their actual cost. A kitchen refurbishment will return about 78% of cost on average, and a bathroom update recoups about 67% of the cost for a Seller. In addition, the lowest recapture of investment is the good ol’ swimming pool. It will return about 15 to 20% of the

make. There will also come a day when you will be ready to upgrade to a new home, or downsize to fit your lifestyle – whatever the case, you will need to sell your investment – your home – and you will want it to return to you the greatest dividend possible. There are many factors that make a home “saleable” that we have covered in this month’s 411 – price, location, terms of sale, condition, accessibility, and marketing exposure, now here are a few thoughts on things you can do to “groom” your investment so it will have saleability and bring you the best return.

Though remodeling can cost a pretty penny, it can provide significant returns when it comes time to sell your home -- if you do it right. Certain home renovations are a win-win situation, providing enjoyment to you, the homeowner, and then making your home more saleable, and worth more in the future. Here are the top 2 renovations that are the best investments you can make, with returns of over 100 %.

## Top 2 Smart Home Renovations

### 1. Kitchen

Kitchens have replaced living rooms and family rooms as the new "heart of the home". Whether entertaining or spending time with the family, the kitchen is likely the place where everyone wants to hang out.

Kitchen remodeling can range from installing granite countertops or tile floors to adding built-in appliances, an island or changing the layout.

In many cases, homebuyers want a modern kitchen with the cook top stove and nice cabinets, not to mention wine coolers and subzero refrigerators. I think it does make a difference. Even if it's just a cook top stove, they walk in and say, wow, it's a remodeled kitchen!

**Estimated Return on Investment (ROI) at Resale:** 237%

### 2. Bathroom (Remodeling)

How does a couples' walk-in shower, new skylights, Jacuzzi tub or vaulted ceilings sound, for starters? According to Harvard's Joint Center for Housing Studies, a mid-range bath remodeling (which costs an average of \$10,499), will add \$10,727 to your home's value. If money's tight, just replacing the water fixtures helps.

**Estimated Return on Investment (ROI) at Resale:** 102.2%

## TIP TO SMART RENOVATIONS:

Before you begin any major projects, it's important to assess your home's value and the neighborhood it's in. It is possible, through a lot

installation cost.

The obvious question is: "If I'm going to take a loss on the improvements, why do them anyway?" Think of it this way: your house might not be competitive and won't sell at all without the updates. The partial "loss" on a component upgrade will actually make the overall product, your home, sell more quickly and for more money.

## Home Staging

"Staging" is the latest buzzword in real estate, but it simply means to present your home in its best and most appealing light. If you are preparing your home to sell, it is to setup your home to appeal to prospective buyers and showcase the property in a way that makes buyers eager to purchase! In theory, "staging" isn't hard or costly, but in reality, many homeowners find it difficult because it's often hard to see something objectively when we love it.

Professionally staged homes sell in 80% less time than non-staged homes, according to a survey conducted by ASP\* (Accredited Staging Professional). The money spent on staging will always be less than your first price reduction and statistics also show that 94.6% of staged homes sell on average in 35 days or less.

If you need staging services for your home, contact Shubhra (shoe-bra) Bhattacharya of Interior Vibes, she provides staging services with a background in interior design. [info@interiorvibes.com](mailto:info@interiorvibes.com) 214-507-3006 [www.interiorvibes.com](http://www.interiorvibes.com)

The following is a summary of the results of HomeGain.com's 2009 national survey, based on the ten areas of home improvement identified by real estate agents in HomeGain's survey. They are listed from the highest to lowest returns on investment:

PROJECT:	COST:	PRICE INCREASE	ROI
Clean and de-Clutter	\$100 – 200	\$1,500 – 2,000	872%
Stage Home for Sale	\$300 – 400	\$1,500 – 2,000	586%
Lighten and brighten	\$200 – 300	\$1,000 – 1,500	572%
Landscape Front/back	\$300 – 400	\$1,500 – 2,000	473%
Repair Plumbing	\$300 – 400	\$1,000 – 1,500	327%
Update Electrical	\$300 – 400	\$1,000 – 1,500	309%
Replace/Clean Carpets	\$400 – 500	\$1,000 – 1,500	295%
Paint Interior Walls	\$500 – 750	\$1,500 – 2,000	250%
Repair Damaged Floor	\$500 – 750	\$1,500 – 2,000	250%
Update Kitchen	\$1000-1500	\$2,000 – 3,000	237%
Paint Outside	\$750 – 1000	\$1,500 – 2,000	201%
Update Bathroom	\$750 – 1000	\$1,000 – 1,500	172%

# Real Estate 411 - A good first impression can mean the difference between a sale or none at all

## 5 things you can do this weekend to improve your home's Saleability

Making a good first impression can mean the difference between receiving serious offers or none at all. If you are selling your home, always keep it in ready to show condition even when you don't have appointments, you never know who will knock on that door and want a quick look. If you are not selling and your budget permits, why not make these simple improvements and enjoy your home even more!

**1. Focus on curb appeal.** The outside of your house can be the source of a very good first impression. Keep the grass well-watered and mowed. Have your trees trimmed. Cut back overgrowth. Plant some blooming flowers. Store toys, bicycles, roller-skates, gardening equipment and the like out of sight. Have at least the front of your house and the trim painted, if necessary. Sweep the porch and the front walkway. After dark, turn on your front

of renovations and money, to boost your home up so high that you're no longer in the market. You don't want to do work that makes your house worth \$300,000 when it's sitting in a \$100,000 neighborhood.

Be sure that your home renovations will add to the value of your home, but be aware that getting too extravagant may not bring the return you're expecting. **Don't exceed the ceiling for the neighborhood, or you might not get your money back.** It is a great idea to consult with your Realtor before starting a project – let them run values on your home and neighborhood so you can stay safely within the market limits and keep your home at *maximum saleability*.



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porch light and any other exterior lighting.

**2. Clear out the clutter.** Loose the clutter! If your home has too much furniture, overflowing closets, crowded kitchen and bathroom countertops or lots of family photos or collectibles on display, potential buyers won't be able to see your home. Get rid of anything you don't need or use. Have a garage sale, donate to Good Will, or rent some off-site storage space if that's what it takes to clear out your home.

**3. Use your nose.** Many people are oblivious to scents, but others are extremely sensitive to offensive odors. To eliminate bad smells, bathe your pets, freshen the cat litter box frequently, shampoo your carpets, dry clean your drapes, and empty trash cans, recycling bins and ash trays. Light a candle or incense, put out fresh flowers or potpourri and use air fresheners.

**4. Make all necessary repairs.** Buyers expect everything in their new home to operate safely and properly. Picky buyers definitely will notice and likely magnify minor maintenance problems you've ignored for months or even years. Add new doorknobs, paint the front door, fix leaky faucets, replace burned-out light bulbs, repair painted-shut or broken windows, replace inoperable appliances – these repairs may seem small, but left undone they can lead buyers to question whether you've taken good care of your home.

**5. Introduce lifestyle accessories** and make your home as comfortable and attractive as possible. Rearrange the furniture, set the dining room table with your best dishes. Put out your only-for-company towels. Make up the spare bed. Hang some fresh curtains. Put some logs in the fireplace. Get creative!

#### 10 things that can increase the value of your home

1. Updated/modern kitchen
2. Updated/modern bath
3. Well-appointed master suite
4. Natural materials like ceramic tile, hardwood floors and granite counter tops
5. Curb appeal for a great first impression
6. Light, airy, spacious feel – clean out the clutter
7. Good windows and well-placed skylights
8. Landscaping
9. Lots of storage
10. Basement

#### 10 things that can decrease the value of your home – Liabilities

1. A pool
2. No garage or a small garage
3. Garbled floor plan
4. Outmoded appliances or systems
5. Stale or overly personal décor
6. A bad roof
7. Bad location
8. Poor maintenance – a home not cared for
9. Environmental hazards like lead, mold or asbestos
10. List of needed improvements

For complete article and explanations visit [www.DallasRealEstate411.com](http://www.DallasRealEstate411.com).

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