



Nashville Michelle

Benchmark Realty, LLC.
Direct: 615.977.7193 Office: 615.371.1544

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11 Ways You Could Save Thousands on Your Next Real Estate Transaction

Are you considering buying, selling, building, or investing in real estate in the near future? Typically your home is one of your largest investments, if not the largest. And during any real estate transaction, there are many decisions that need to be made that can dramatically impact how much money you spend—or save. Below is a list of ways you could possibly save thousands on your next real estate transaction.

1 Buyers, Sellers, Builders, or Investors: Select the right agent for you and your specific needs.

Make sure that you have a real estate agent who is experienced and can handle this very significant transaction for you. If you are selling new construction, hire a real estate agent who has new-home construction sales experience. If you are rehabbing or flipping a home, hire an agent who knows the latest trends and amenities rehabbed homes are expected to include. Putting your trust in the right real estate agent is crucial to setting yourself up for a successful and pleasant experience. If you don't get the best agent for you and your specific needs, you could be headed for rocky times.

2 Buyers, Builders, or Investors: Set up financing prior to writing the offer.

When writing an offer, nothing speaks to a seller like a loan approval letter for the amount you are offering or a proof of funds letter showing that you, as the buyer, plan to pay cash. Through the years I've seen many sellers accept a lower offer because one of these two documents was attached. Sellers see this as one less thing standing in the way of them selling their property.

3 *Sellers, Builders, or Investors: Set your sales price right.*
Sounds simple, right? However, pricing a property is not so simple. In fact, it is fairly complicated. There are three components of a home's worth: price, value, and cost. The Comparative Market Analysis is just a starting point, and value and cost are both subjective. The three top priorities for sellers when they first list a property are price, price, and condition. Yes, price is the number one and the number two priority—it is that important. If a seller, a builder, or an investor wants to sell quickly, minimize hassles, and get the highest sales price possible, pricing it correctly rules the roost every time.

4 *Buyers, Sellers, Builders, or Investors: Choose a Realtor® who has volume discounts for clients.*
Typically, successful real estate agents have specific companies that provide professional services for their clients. These agents tend to use those companies numerous times throughout the year, if not monthly. Many times, as an incentive, these particular providers are willing to charge less. Check to see if the real estate agent has preferred pricing available for you with businesses such as, but not limited to, a mortgage company, title company, home inspector, pest control company, or moving company.

5 *Investors: Find the right deal.*
You will likely look through many deals prior to finding the right one. You will be searching for a home that has equity and is priced low. Remember, in real estate investing, there is a rule of thumb that has stood the test of time: you make your money when you buy the house.

6 *Investors: Evaluate the deal correctly and thoroughly.*
You must do your due diligence before you actually purchase a property. Make sure to look into the location and market, and take into consideration after-repair value, cost for repairs, time for repairs, deed restrictions, liens, and title issues.

7 *Buyers: Know what you really want.*
It's easy to be drawn in by features that you think you want only to realize later that you could have done without them. Popular features that can be appealing at first but leave you wishing you'd saved your money include fireplaces, soaring ceiling heights, jets in the tub in the master bathroom, and sitting rooms in the master bedroom.

8 *Buyers: Ensure you got the best mortgage deal.*
Getting a mortgage is not something most of us do every day. And when someone doesn't do something frequently, odds are they aren't going to be a pro at it and mistakes can be made. Take the Good Faith Estimates from the mortgage loan officers you are speaking with and closely compare what they are offering. Be sure to compare apples to apples and call to ask questions about anything you don't understand prior to making a decision on which loan you are choosing.

9 *Buyers: Close at the end of the month.*

When you close on your mortgage, you must pay accrued interest from the date you close through the end of that month. The nearer to the last day of the month you close, the less interest you owe at closing. In other words, if you close on January 30, your closing costs include accrued interest for January 30 and 31.

10 *Builders and Investors: Negotiate a closing date at least 45–60 days out.*

Once you have the fully executed contract that is non-contingent, it's time to get the ball rolling. Don't wait for the closing. I've seen many builders and investors sit on new property for weeks, if not months, while they are trying to finalize a floor plan or line up contractors. The time before closing is the perfect time to begin getting your floor plan and budget finalized, notifying subs, and completing permit paperwork. Even many of the materials and selections can be chosen and ordered during this time.

11 *Buyers and Investors: Get a Home Inspection.*

Inspecting the physical condition of a home is an important part of the home-buying process and should be included in your purchase agreement as a condition of closing the sale. The sale needs to be contingent upon the buyers' approving the results of the home inspection. A home inspector will look for defects and malfunctions in the building's structure, systems, and physical components such as the roof, plumbing, electrical, and heating/cooling systems, floor surfaces, paint, windows, doors, and foundation. They look for pest infestations, dry rot, and similar damage to the property. Typically, they will examine the land around the home for issues concerning grading, drainage, retaining walls, and plants.