

# LONG BEACH Real Estate CORNER



MAY 2022

## Pricing a Home in a Seller's Market

Today's hot seller's market is a great time to capitalize on the opportunity to net the highest price possible. Data from the National Association of Realtors (NAR) shows that as a result of low inventory and high demand, 46% of homes are selling above the list price. And locally, it's common to see homes selling for \$20,000, \$30,000, and sometimes more than \$100,000 above the list price.

But what's the best way to price your home to capitalize on that trend?






### Pricing Your House Right is Crucial

Finding the perfect list price for a home isn't a shot in the dark there's a serious strategy behind it. Pricing your home too high or too low can negatively affect your bottom line.

The price you set for your home sends a message to potential buyers. Pricing it too low can create speculation that the home is in poor condition. Buyers may assume something is wrong with the property and be turned off. A low pricing strategy means you could be leaving money on the table.

Alternatively, if you price your home too high you run the risk of deterring buyers – or not even catching their attention. If you overshoot the market value, you may need to lower the price to capture buyers' interest. And especially if the home's been on the market for a while by the time you do that, buyers can see that price drop as a red flag.

You can think of pricing your home like playing a game of darts. The best possible outcome is landing a bullseye and in this case, it's pricing your home right at market value. If you're going to go in one direction or the other, though, you are best to price slightly below the market value rather than above it.

UNDERPRICED	MARKET VALUE	OVERPRICED
 Decreases future buying power	 Increase chance of bidding war	 Could lead to price drop, which can raise red flags
 Leaves money on the table	 Higher chance of offer at or above list price	 May sit on market longer
 Buyers may assume issues	 Likely to sell quick	 May deter buyers

### Lean on a Professional to Price Your Home

There are several factors that go into establishing the perfect list price for your home. To determine your list price, a local Realtor will look at:

- The value of comparable homes in your neighborhood
- The current demand and supply for houses in today's market
- Any upgrades, renovations or conditions that could impact the value one way or the other
- Current competition and pricing trends

A real estate professional will weigh these factors and offer a pricing strategy that, when combined with an effective marketing and negotiating strategy, will help you achieve top dollar. Thinking of selling your home? Give us a call at 562.896.2456 for a price estimate on your home.

JUST SOLD

Sold for \$827,500



**277 Cerritos Avenue, Long Beach**

Two-Story Craftsman home near Alamitos Beach

Sold for \$1,275,000



**2273 Ocana Avenue, Long Beach**

Traditional-style home on corner lot, sold for \$100,000 over the list price

Sold for \$1,000,000



**780 Raymond Avenue, Long Beach**

Spanish-style home in Rose Park, sold for \$100,000 over the list price.

# Myths Holding Back Home Buyers

Buying a home is exciting and rewarding, but some potential home buyers are sidelined before they ever get started because of myths that hold them back. Here are the most common myths that can bog down would-be buyers.

## MYTH #1: "I NEED A 20% DOWN PAYMENT"

Many potential buyers believe that they need at least 20% down to buy their dream home. However, there are programs available that allow buyers to put down as little as 3% and in some cases, even 0% down. If you're a potential buyer who's unsure about how much money you can or should put down, we can connect you with a qualified lender to explore your options.

## MYTH #2: "I NEED A 780 FICO® SCORE OR HIGHER TO BUY"

This can sound daunting to those who have a lower credit score. In fact, conventional loans require a minimum score of 620 and FHA loans require a minimum score of 580. And if your credit score is lower than that, there are credit repair companies that can help.

## MYTH #3: "YOU CAN SAVE MONEY BY BUYING A FSBO"

FSBO, or for sale by owner, is when the owner sells a home directly without a real estate agent. Real estate negotiations can be tricky and it's wise to have a professional expert to help you evaluate the home, pricing, contract, and disclosures.

## MYTH #4: "ALL LENDERS ARE THE SAME"

This is a common home buying myth. It's easy to think that lenders are the same, but much like real estate agents, this isn't the case. Some lenders will have access to different programs that could work better for your situation. Or sometimes, you'll simply have a better rapport with one lender over another.

Whether buying your first home or moving up to your dream home, knowledge is always important. You don't want to accidentally let home buying myths get in the way of you and homeownership. If you would like more home buying resources or have any questions, give us a call at 562-896-2456.



## Summer Home Preparation Checklist



Summer will be here before you know it, so get ready for the heat with this handy home preparation checklist:

- Take care of cooling equipment
- Replace your air filter
- Update home insulation
- Clean out rain gutters and drains
- Clean off outdoor furniture
- Clean your barbeque
- Organize your shed or garage
- Remove weeds from the yard
- Add fertilizer or compost to garden beds
- Add fresh plants to any planter beds or containers

## Selling SoCal : Did You See Us On TV?

If you missed our appearance on TV, no worries, you can watch our segment of "Selling SoCal" here or stream the show on Apple TV, Roku, Amazon Fire TV, or Chromecast! (Just search for American Dream TV.) Join us as Shannon talks about Bluff Park and tours a beautiful garden in the area.



Did you miss it? Watch here!





## Local Spotlight:

# MHALA - Mental Health America of Los Angeles



For Mental Health Awareness Month, we're shining the light on MHALA, or Mental Health America of Los Angeles. Every year, thousands of citizens in Los Angeles face the challenges of living with a mental illness. When the pandemic hit in 2020, it had a huge impact on the LA community as a whole but especially on those with mental health needs. Last year, MHALA provided services to 16,774 individuals, both in the Antelope Valley, Santa Clarita area and here in Long Beach.



Our team collecting items for our 2021 MHALA Holiday Donation Drive.

**Their Mission** - MHALA is dedicated to ensuring that people with mental health needs achieve meaningful, healthy lives in their communities.

**Who They Help** - They serve adults and transition-age youth who are facing mental health needs. This includes Veterans and people who are or have been homeless.

**Their Services** - Mental Health America of Los Angeles provides a broad scope of services including outreach, psychiatry & medication management, housing services, benefits & income services, health care services, education and job training, employment services, and more! They have a number of drop-in centers where their members can pick up clothing, get a healthy meal, do their laundry, and receive medical services. Safety and wellness is a top priority and during the pandemic, MHALA has been diligent in providing COVID testing, vaccinations, and protective equipment.

**How You Can Help** - The best way to lend a helping hand is to either donate funds, donate necessities, or hold a donation drive. MHALA is only accepting new clothing and necessities. For someone who is struggling with homelessness, new clothing can be empowering. If you're interested in organizing a donation drive, you can reach out to Molly Ann Woods at [mwoods@mhala.org](mailto:mwoods@mhala.org). Another way to donate is to buy cookies from The Village Cookie Shoppe, which is one of MHALA's social enterprises. The employees are all MHALA members who learn valuable job skills and develop work tolerance. To learn about more ways to get involved, scan the QR code to visit the MHALA website.



The Variety Cookie and Brownie Gift Box from The Village Cookie Shoppe.



Visit MHALA Website

**"People who experience mental health needs can and do recover. We see it every day."**

**MHALA**  
Mental Health America of Los Angeles

## That 'homeless person' could be someone's son. Mine, for instance.



Our Story

Our son is mentally ill and homeless. We don't talk about it every day, but I recently shared his story on social media and it was featured in the Voices Across America section of the Washington Post. I was touched by how many people offered support and kind words, and by how many other families had been touched by similar stories, some with loved ones who were still struggling, and some who lost the battle. Our son is a member of MHALA and their commitment to helping him is one of the things that give us hope on the days we feel hopeless.

**We have pledged to donate \$200** from every sale to help MHALA help people like our son. You can read our story by scanning the qr code.



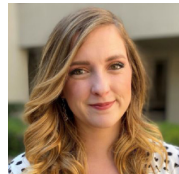
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## THE BEST MOVE YOU'LL EVER MAKE!

**(562)896-2456 | ShowMeHome.com**

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### Can You Trust a Zestimate?

Many homeowners regularly check online estimates, and they can be useful for satisfying curiosity about which direction prices are going. But, online algorithms don't consider some important factors and we don't recommend using them to make decisions about your home.

We've seen online estimates from Zillow and Redfin that are at least \$100,000 apart on the same home. And, we've recently sold a home for more than \$200,000 above the highest online estimate. If you're thinking of selling your Long Beach home and want to get an idea of what it could be priced at in this market, we can help.

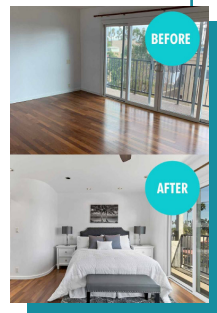
Visit [pricemylongbeachhome.com](http://pricemylongbeachhome.com) for an online home valuation. One big difference between our home valuation and Zillow's is that a professional from our team will review the online estimate and let you know if it's accurate.

To watch our latest YouTube video "Can You Trust a Zestimate?", scan the QR code below!



### 5 Ways to Add Value to Your Home

If you're considering selling your home at some point, it's never too early to start preparing. You can't control some factors like age and location, but there are changes you can make that will add value.



1. Add a fresh coat of paint to your home's interior and exterior.
2. Spruce up your curb appeal by cleaning up your landscaping, changing out your old house numbers, and power washing paths or patios.
3. Focus on minor kitchen and bathroom upgrades. These are the rooms that will give you the most return on your investments but unless you plan to enjoy them for a while, minor changes can provide the most ROI.
4. Clean, declutter, and stage your home. This trifecta is guaranteed to increase interest in your home and help people envision themselves living there.
5. Upgrade to energy-efficient and smart features and appliances to appeal to future homeowners.

Have more questions about how to add value to your home? Give us a call at 562-896-2456.