

# CLEAR VISION BROKERAGE

## Is it Time to Sell?

You've lived in your home for several years, and suddenly you realize it's not meeting your needs any more. Maybe you've had children and you want a bigger yard and extra bedrooms, or you want a home office or a second bathroom. You need more space, but you're not sure what the best way of getting it will be - when is it better to remodel, and when is it more profitable to sell up and move?



### When to Sell

- If you don't want the stress of remodeling, or if you can't due to lack of available lot space.
- If the neighborhood is about to change in a negative way. For example, you may find out that a low-income housing project or other type of construction is planned in your neighborhood. Bear in mind, however, that such projects may make it more difficult to sell your home if buyers are aware of them - be prepared to market your property aggressively.
- Most reasons to do with location mean selling is the better option. If you want to move to a better school district, remodeling is not the answer.
- If remodeling will increase your property's value too dramatically compared to other houses in the neighborhood. Your property should not be valued at more than 15% over the average of the neighborhood after remodeling, or you'll likely find that the value of your property is dragged down by the lower value of those surrounding you.
- If you're unlikely to recoup the expense of remodeling should you decide to sell in the future. Additions such as pools and home offices, for example, rarely recover their costs.

### When to Remodel

- If you have the patience for a big renovation job.
- If you have the funds or access to a loan. If you're refinancing to cover the cost of remodeling, make sure you can keep your mortgage debt total below 80% of your home's value after remodeling is completed.
- If your remodeling projects have a high return rate. Projects such as bathroom additions or kitchen upgrades have the best return on your investment.
- If you have the room to improve your property, and your improvements will fit in with the neighborhood. Remodeling projects tend to be more profitable when your improvements bring your

property in line with others in the neighborhood, but don't improve your home to the point where it's the most expensive one in the neighborhood.

## **Other Considerations**

Some times of year are more profitable than others when it comes to selling a house.

- Home sales peak between April and August, because parents often try and use the summer vacation period to move while their children aren't in school.
- Selling between November and January can also be profitable - there are fewer buyers, but they tend to be more motivated for a number of reasons.
- If the market is weak - for example, interest rates are high or the economy is depressed - then it's not a good time to sell.

If you're thinking of selling in the off-peak months, it might be better to reconsider and wait a while before putting your home on the market. If you do decide to wait, use the time to prepare and plan for marketing your home and work on minor maintenance projects that will increase the appeal of your property.

If you have any questions, please contact:

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