

INHERITED HOME GUIDE



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CHAPTER 1

Dealing with Inherited Homes: Best Practices for Families

Dealing with an inherited home is a complex subject, and there are several complicated issues to resolve. A web search for “selling inherited property” returns more than 10 million results. A glance down the first page or two shows some of the issues:

- Do You Pay Capital Gains Taxes on Property You Inherit?
- What Taxes Are on an Inherited House?
- If You Inherit a Home Do You Qualify for the \$250,000 Home Sale Tax Exclusion?
- What to Do When You Inherit Your Parent’s House, Home Inheritance Issues, and on and on.

Additionally, it is not uncommon for a person selling an inherited home to have a sentimental attachment to the property, with the sale being the result of a recent death in the immediate family. This adds an emotionally overwhelming component to the transaction.

Because of continuing property ownership obligations such as property taxes, insurance, utility bills, household and grounds maintenance—in addition to any issues with the settlement of the estate—a rapid sale is often necessary. Getting a loved one’s house ready for the market can be anxiety-provoking, emotional, and stressful. It likely includes clearing out once-treasured belongings and depersonalizing the rooms.

Then there is the financial cost of making necessary updates to attract buyers. Sometimes heirs must deal with liens or hidden problems in the house structure or systems (i.e., electric, plumbing, and gutters), and there may be disagreements among beneficiaries about the sale price, or whether to sell at all.

Family members drag their feet, distracted by images of growing up in the home, preventing them from taking appropriate action. They can’t let go.

Everyone takes the time they need to deal with the passing of a loved one. Sellers in this situation need to take the appropriate steps to learn the market, educate themselves, and have a reliable real estate agent and tax attorney or Certified Public Accountant (CPA), an empathetic party who is there to help.

This little book is meant to offer some proven tips that can help owners of inherited property approach the issue in a structured manner, with fewer problems and more satisfactory results for all stakeholders concerned. Here, we will discuss the different aspects of splitting the property with family members and the best practices involved.

BENEFITS OF SELLING

No matter if you are a single heir or one of multiple heirs to the property, selling it as quickly as possible will save money, time, stress, and the tiring effort involved in the settlement process. There are several benefits to selling the inherited property. For example, in some cases, along with inheriting property, the heirs end up inheriting unexpected commitments and difficulties with legal and financial implications. Every situation when someone inherits and then sells a home is typically different from each other.

For example, if it is discovered there are environmental concerns or the mortgage is “underwater” (meaning the mortgage balance is more than the home is worth), heirs may even choose not to accept the home at all, allowing it to go into foreclosure. Those who do not want inherited property should consult a lawyer promptly, as disclaimer paperwork will likely have to be filed.

Traditional home sales methods are a perfectly good option if you find that there are no outstanding mortgages and the property is in good shape and does not require major repairs or cleaning to sell. If you can easily afford any necessary repairs and cleaning while handling the selling process, then you can safely choose to sell an inherited property just as you would any other house.

This is not to say that selling the property will always be complication-free, but even when issues arise, it may still be worth it to persist with the sale. When there are siblings or family members who share the property with you as legal heirs, there might be disagreement about how the settlement should proceed. Therefore, selling the property could save you the aggravation of dividing a singular property between many hands. Once the property is converted to money, the money can be more easily distributed among the heirs. One concern that you do need to address is the amount of time required to sell the property, since it is uncertain when it may sell.

A short sale of the home can come to your aid if there are mortgage payments due which you are unwilling or unable to pay. If one or more heirs inheriting the property have an urgent need for cash, then a quick home sale is also a good option. Sometimes, you might receive some added tax benefits from selling the home. At times, you might also feel that you just want to get rid of the burdens an inherited home imposes by selling it quickly so you can get on with your life as smoothly as possible. If the property is in a different city or state, assuming the responsibility of maintaining a vacant house can be a burden that you may not be prepared to endure. If the house goes to probate, even if there are no residents, the property must be maintained. The property taxes, insurance premiums, utilities, homeowners association fees, and other ongoing costs must be paid by someone.

Depending on how long the probate period lasts, families may need to pay for many months of maintenance, along with the legal fees and other expenses connected to owning and selling the property. At the end of the probate, you will also have to go through the effort and expenditure of repairing and selling the home. Under such conditions, if your benefits are lower than your commitments, it may be wisest to simply sell the home to investors.

DEALING WITH FAMILY MEMBERS

Disputes among siblings or legal heirs over the settlement of inherited property are common. Often, disputes over a property are dominated by past issues of sibling rivalry and are a fight for dominance.

In the absence of parental guidance, adult siblings are left to face the scenario of ambiguity or disagreements over their rightful role.

It is essential that you work to ensure that disputes and disagreements do not lead to litigation. Litigation will only worsen the situation by causing issues with family members, and creating uncertainty and wasting time waiting for legal issues to be settled, as well as the usual expense and aggravation associated with legal hearings. The tremendous cost involved in litigation is certainly a wasteful expenditure. Litigation is not the peacemaker's choice—prevent it whenever you possibly can.

This situation can be avoided. By keeping the emotional heat down and a compromising frame of mind in the forefront, there is generally a solution that can be made for a peaceful settlement. Where creative solutions to these problems can be facilitated, there is mutual gain for all concerned.

A good solution is for one of the heirs to buy the property from the others. Ordinarily, if you inherit the home with your siblings without any remaining mortgage, the rule is that ownership is to be evenly split unless otherwise stated in the will. If one of the siblings is interested in keeping it while the others want to sell it, the interested sibling can buy out the others using conventional financing.

The cost involved in this process can be minimal and includes the appraiser's fees and the closing costs. If this will work, you pay your siblings in cash for their shares and get the title of the property transferred into your sole name through a deed.

Alternatively, a private agreement can prove useful under some circumstances. For instance, if you or your sibling cannot qualify for a mortgage, the one who does not wish to keep the house can finance the transaction. This will mean you will not need a home loan or incur out of pocket expenses.

For a private agreement, you make a promissory note to your sibling for his or her share of the value as assessed by the appraisal. The amount due to him or her can be paid in monthly installments along with interest. With this arrangement, you can buy out the property over time. If necessary, you may also make a deed of trust that grants the power to foreclose if you default on payments.

Renting the property could be the solution if none of the siblings are interested in keeping the property personally, but as a group the heirs see benefit in the house as rental or investment property. If you have a friendly relationship and can get along for a long period as co-owners of the property, you can rent out the property and take your share out of the proceeds monthly. If one of the siblings manages the collection of rental payments and arranges maintenance for the property, the effort can be rewarded by the others with an increased share. Whatever the terms are, though, it is advisable to record them in a written agreement to forestall future disagreements and conflict.

Sometimes, though, the best arrangement under these circumstances is still to sell the property, subtract the expenses and costs involved, and the commissions paid, and then divide the resulting amount among you. Selling the property as soon as you inherit also helps save on the capital gains tax. Capital gains tax for sale of the inherited property is calculated on the property value after the death of the decedent. Since the difference may not be much if the time between death and sale is short, you may be left with nothing to pay in capital gains tax.

A lawsuit for partition should be the last resort for you to settle the inherited property if you cannot come to an amicable agreement with your sibling over the settlement. If it comes down to it, you can file a lawsuit asking the judge to order the sale of the home and terminate your co-ownership. This is

a complicated process and the judge usually appoints a mediator first, to get the property ready for sale. If you are at odds with each other, you and your siblings might not be able to do this. Therefore, you will need to have an agent sell the home and mediate between you.

HOLDOVERS LIVING IN ESTATE

When inheriting a property, you might have to address the issue of holdovers living in the estate. If one of your siblings or yourself is living in the property, you need to come to an agreement with all the heirs regarding whether the concerned individual will continue to live there or will need to vacate.

In the case of continuing to live there, the terms must be clearly drafted. If the right to remain there is mentioned in the will, then it cannot be challenged. If it has to be challenged for some reason, the necessary legal proceedings must be adhered to.

If the decision is made to sell the property, then the property must be vacated in a definite timeline facilitating the sale. If the occupant wishes to continue residing in the property despite the sale, then it must be dealt with accordingly. If you are inheriting a property with tenants living in it, you must fulfill some responsibilities from the position of a landlord. If the property is sold, the legal rights of the tenants must be given due consideration. For complicated situations like this, consult an attorney.

SPLITTING UP ITEMS INSIDE

Decisions pertaining to the settlement of the property or the division of its contents among the legal heirs must follow the guidance given in the will. Where there is no will enacted by the owner of the property, then the state's laws regarding intestate succession will come into play. If either the will or the law requires the estate to be divided equally, the heirs must act accordingly.

Sentimental objects are invaluable to those they are valuable to and settling them should happen out of the legal conventions in agreement between the siblings. Since the value of sentimental objects is often subjective and cannot be decided by an appraiser, the real challenge comes when more than one sibling wants the possession. Negotiation and compromise are called for.

A real estate agent can be appointed to decide the value of the property. The challenge here may revolve around how to divide the real estate among the heirs in a way that is acceptable to all parties. The two main approaches that the siblings could take include either selling the property to divide the proceeds or keeping the property and sharing its use. If the estate also features assets that cannot be distributed on pro-rata basis, an equal division of value is the solution.

If a sibling wants to hold the property, then the others can get cash equal to their share of the property or other assets as it may be decided. Ultimately, everyone involved in the deal walks away with his or her share of the property in the right proportion.

Dealing with the leftover items in the estate could be a laborious task and a bothersome job while attempting to settle a property. In this situation, you might need to categorize the items as those to keep, those to sell, those to donate and those to throw away. Remember that during an estate sale, people may be ready to buy even the oddest things. Therefore, make an effort to see that as many things as possible are sold or auctioned away to be converted into cash and distributed among the heirs.

CHAPTER 2

Concepts to Know When Selling An Inherited Home

There are a few legal concepts and other issues you should make sure you know about when selling an inherited home so that you can make informed decisions and avoid complications.

WILLS

Most houses that are inherited are passed at the owner's death by the terms of that person's "will." A will is a person's last chance to do whatever they wish with their property. It is a legal document with the authority to dictate the disposition of a person's property at death and is very difficult to contest, no matter how apparently unreasonable its terms may be. Yes, someone of "testamentary capacity" (sound mind) really can leave a massive fortune to charity or a favored pet, bequeathing nothing to children or other relatives.

Where the maker of the will is the sole owner of a home, that person enjoys complete rights to it (subject to liens or mortgages) and can draft the will in favor of legal heirs or anyone else he or she wants to inherit the property.

An individual appointed to administrate the estate of a deceased person is the "executor." The executor's main duty is to carry out the instructions and wishes of the deceased. The executor is appointed either by the maker of the will or, in cases where there was no prior appointment, by a court. The executor will ensure that the transfer of titles happens as stated in the will.

The existence of a will concerning the estate makes the process of inheritance indisputable and smooth. If there is no will in place, then the established state laws that govern "intestate succession" (death without a will) will dictate the handling of property and, if needed, a court will intervene to settle issues.

The word "probate" carries negative connotations with many people such that they work and plan to avoid it. However, probate does not have to be a difficult or drawn-out proceeding. Currently some 35 states allow simplified probate proceedings, called "common" or "informal" probate. The difference between common and "solemn form" probate begins when the executor submits the will to the court. For example, when an executor chooses to pursue common form probate in New Jersey, that executor can file the will at the court clerk's office and fill out an application for appointment to the executor position. Will witnesses do not have to be present. Where the executor chooses to probate the will by solemn form, a legal complaint must be filed with the probate court, asking the court to open probate proceedings.

Solemn form probate involves sending notice of the proceedings and a copy of the will to all the decedent's heirs, whether mentioned in the will or not, as long as they would have inherited if he had died "intestate" (without a will).

Common form probate does not require this step, although heirs can request a copy of the will from the executor. The solemn form probate notice includes a date for a court hearing in some states. All interested parties have the right to attend this hearing, where a judge will admit the will for probate if he or she determines it is valid and meets the legal requirements.

With most estates, there is no reason for the executor to go through a solemn form probate if common form probate is an option. An executor generally chooses solemn form probate only if she believes an heir or beneficiary might contest the will. Solemn form probate restricts heirs and beneficiaries from filing a will contest after a court-ordered date. Often, judges hear potential will challenges during the initial court date, when they decide if a will is valid. The will is either declared invalid, or is declared valid and can proceed through the rest of probate uncontested.

In common form probate, heirs generally have years to decide if they want to contest the will, which can leave the estate in legal limbo. Even after the estate settles and closes, there remains the possibility that an heir might file a contest to reopen it again. For example, Georgia allows heirs four years in which to contest a will probated by common form.

Beneficiary distributions made through common form probate are not final until the challenge deadline passes (up to four years). This means a beneficiary can receive an inheritance, only to have no choice but to return it to the estate years later if another heir successfully challenges the will. With cash inheritances, the money could easily be long gone by that point. Real estate and tangible assets might fall into disrepair. Executors generally will not risk this and will ask the beneficiary to sign a binding agreement to return the inheritance to the estate if necessary, or request solemn form probate.

If the executor mentioned in the will is unable or unwilling to serve, then an appendix will be created to appoint the new executor. However, before the appointment of the administrator, there should be a declination letter from the executor (if he or she is still living and not incapacitated).

In this event, the executor can be selected by a majority of the beneficiaries. For the sake of minors or incapacitated heirs, the court appoints a guardian ad litem, which is just a fancy way of saying someone to look out for the interests of the minor heirs. Probate is not required when there is no property to be divided under the terms of the will and testamentary letters are not necessary to take control of assets in that case.

It is essential to file the will of the deceased with the probate court. Unlike bank accounts, real estate properties will not automatically pass on to a surviving co-owner. To transfer the title of an automobile, probate is not needed, but real estate transfers require it.

In the absence of a will that names an executor, state law will list people who can legally discharge the responsibility. If there is a necessity for a probate court proceeding, then the court will choose the administrator based on a priority list.

The "intestate succession" laws vary between states as to what happens to a deceased person's property who dies without enacting a valid will. If the deceased person was married, the surviving spouse will get the largest share of the estate. In cases where there were no children, the surviving

spouse inherits the entirety of the property. The laws of every state dictate how children and other heirs inherit the property differently, though, and will need to be studied to make sure you fully understand the state laws that will be affecting you and your property.

TAXES

While the authors of a will pass on their property with the best of intentions, inheritors often must spend a great deal of money, effort, and time if they want to keep that property. The tax burdens accompanying inherited property are frequently a matter of concern and confusion. When inheriting a home, you need to know what kinds of taxes are attached to the home and what your obligations are. Note that tax laws significantly differ from state to state, so you should make sure to understand the inheritance tax laws of your state.

For simplicity, the broad categories of taxes applicable to inheritance are roughly summarized here:

Estate Tax: The estate tax in the United States is a tax on the transfer of the estate of a deceased person. The tax applies to property that is transferred via a will or according to state laws of intestacy. Other transfers that are subject to the tax can include those made through an intestate estate or trust, or the payment of certain life insurance benefits or financial account sums to beneficiaries.

According to the IRS, the estate tax is one part of the Unified Gift and Estate Tax system in the United States. The other part of the system, the gift tax, applies to transfers of property during a person's life. In addition to the federal estate tax, many states have enacted similar taxes of their own. These taxes may be termed an "inheritance tax." If an asset is left to a spouse or a federally recognized charity, the tax usually does not apply. In addition, a maximum amount, varying year by year, can be given by an individual, before and/or upon their death, without incurring federal gift or estate taxes: \$5.6 million for individuals and \$11.2 million for married couples. The annual gift exclusion amount is \$15,000 for 2018—up from \$14,000 where it's been since 2013.

- **Inheritance Tax:** Heirs pay federal inheritance tax on the net worth of their inheritance. The net worth is the gross value less certain deductions, a mortgage that must be paid off on an inherited house, for instance, or a marital deduction for property inherited by a spouse. If the result is more than the IRS exempt amount for a given year, the heir must pay an inheritance tax at the federal income-tax rate for the non-exempt amount.
- **Property Tax:** Heirs may have to pay property taxes as soon as they inherit real estate and will pay them for as long as they own the house. Many states cap how much the assessed property value can rise from year to year, but when someone buys or inherits real estate, it will be reassessed at current market value. Even if subsequent assessments are capped, the initial reassessment can result in heirs paying thousands of dollars more in taxes than the previous owner. Some states offer an exemption; California state law, for instance, says that if the heir is the spouse or child of the owner, there is no reassessment.
- **Capital Gains Tax:** Capital Gains taxes are applicable when you decide to sell your inherited home for the fair market value or more. This means that you will have to pay taxes on your profits from the sale of the property. This is assessed based on how much you sell the property for and what the value of the property was when you inherited it. Generally, you will not be required to pay any capital gains tax if you sell the property immediately after inheriting it, since the property value will not have had time to increase.

- **Reporting the Inheritance:** It is necessary for the executor of the estate to report the inherited property by filing an estate tax return. The “cost basis” (which we will talk about more later in the book) of an inherited home is decided based on when you inherited the property. In most cases, the basis for an inherited home is the market value of the property on the date when the deceased person died.
- **Reporting the Sale:** When selling an inherited home, you are expected to report the sale on your income tax. Subtract the amount you received from the sale from the base amount to calculate whether you gained or lost from the deal and report it on the IRS Schedule D form. You will also need to copy the gain or loss figure over to your 1040 tax return form.

NAME ON PROPERTY

When you inherit personal property, the process is simple and the procedure is straight-forward. The will or the court’s decision may be enough to directly transfer the property to you.

In the case of inheriting real estate, things can be a bit more complicated. This is because the titling document showing ownership of the property must be modified to state that you are the new owner. Generally, in this case, the executor of the will or the administrator nominated by the probate court will issue a new deed that names you as the owner of the property.

The documents you will need in this regard include the death certificate and probated will of the previous owner, if available. You must consult the original deed of the property to confirm that the property was not owned jointly at the time of the death of the deceased.

If the property is/was owned jointly, then the surviving owner inherits the property in full. Therefore, you will have to confirm whether you can inherit it by reading the death certificate and determining the order of inheritance.

If the person that you inherit the property from has died first and left behind a co-owner, then the property would revert back to the other owner, leaving you to establish your claim as the legal heir to the property. If the will lists you as the inheritor, then you will require an executor’s deed.

If the inheritance is facilitated by the court in the absence of a will, then you must present an administrator’s deed. Both kinds of deeds must describe the property legally and mention your name as the new owner. Along with the administrator who issued the deed, you need to sign the new deed in the presence of a notary public. If needed, you must also be able to produce a copy of the probated will as part of making the deed.

LIFE ESTATES

According to its legal definition, “life estate” is not ownership, but the right to use or occupy real property for one’s life. Often this is given to a person (such as a family member) by deed or as a gift under a will with the idea that a younger person will then take the property upon the death of the one who receives the life estate.

Title may also return to the person giving or deeding the property or to his/her surviving children or descendants upon the death of the life tenant—this is called “reversion.” Examples of creation of a life estate include, “I grant to Sally Smith the right to live in said real property until her death,” or, “I give my daughter, Sadie Smith, said real property, subject to a life estate to Sally Smith.” This means a woman’s mother, Sally, gets to live in the house until she dies, and then the woman’s daughter, Sadie, will own the property.

Creating a life estate is done by redrafting the property's deed to include mention of the life estate with the remainder passing to somebody else. Like any other property transfers, both parties must sign this deed, have it notarized, and then submit it to the recording office of the state. Such a document should be prepared by a competent real estate attorney.

Living trusts have come to replace the role played by life estates, which are not as commonly used today. However, there are some advantages to this form of inheritance. For example, this method is useful to the heirs as a means to increase the property's value following the death of the decedent. A life estate can also help avoid probate, which is a legally required process to transfer the property from the deceased to his descendants, but which can be sidestepped by using a life estate instead, since it is not technically an inheritance. A life estate can also be called an "instant transfer."

There are, of course, tax implications when using a life estate. Section 2036 of the Federal Estate Tax Code treats life estates as a gift. The gift tax must only be paid if the value exceeds a specified amount. If the property is sold after the end of a life estate, there is no net gain that needs to be reported on taxes because of the value step-up. In case your total property value is more than \$1 million dollars or if the property is in a different country or state, though, you should absolutely take a cautious approach to drafting a life estate and retain the services of an attorney.

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CHAPTER 3

Distribution Among Family Members

While drafting a will, its maker usually makes provisions for the major parts of his or her estate—cash, stocks, expensive jewelry, and heirlooms. However, it is common that people do not make provision for most of the more mundane personal property items in their will—furniture, automobiles, household effects, and the large number of other items acquired and stored over a lifetime.

The usual provision is that the remainder of the estate be divided equally or equitably among the heirs. Dividing the personal property of a deceased family member is emotionally difficult and engenders hard feelings and disputes among heirs. To assist with this, an equitable process is outlined below:

SORT OUT ITEMS FAMILY MEMBERS INTEND TO KEEP

This first step requires the time, energy, and fortitude to go through every item in the house that you or your family members intend to keep. So closely following a loss, it can be painful endure inventorying and disposing of the possessions they have left behind.

Before moving on to selling or auctioning the items, it is crucial to establish a boundary or limit to who among the family members possesses the right to keep sentimental items or properties, especially among siblings. If the will or law requires the property to be divided equally, then you must follow it.

For better organization, you are encouraged to separate the items you wish to keep in a separate container or location to avoid confusion with other items you intend to sell, donate, or throw away. Mutual agreement between siblings or other family members can decide who will keep which sentimental objects without further dispute.

A mathematical algorithm was developed to fairly distribute an inheritance among the siblings within a family. The algorithm developed is to divide the inheritance between them equally. For example, a deceased parent left an antique firearms collection to be divided equally between his four children. There was an uneven number of items of varying values. Each sibling wanted some of the same items.

The solution was to have the collection assessed, item by item, by a professional dealer. This established a total worth for the collection, such that each sibling knew the dollar worth of his or her part. The collection was laid out in a room, each piece tagged by value. A coin flip decided which sibling would choose an item first, second, and so on. The siblings went around the room choosing until their value was reached. In the end, the siblings did not have the same number of items, but had each received an equal share of the collection's value.

In the event of serious disputes over the equal distribution of items between heirs, the family can resort to working with a mediator to resolve a fair distribution of items or properties. This is an equitable system for when the family does not wish to liquidate the assets or rejects joint ownership between heirs.

Each member submits his or her own prioritized list of items to the mediator. The mediator then prepares a list for each member of the family of the items allocated for each of them. Each member will then show their list of preferred items to the other members for negotiation and adjustment.

If you come across any papers, be sure to thoroughly review each before proceeding to throw them out. Important key financial documents such as wills, trusts, addenda, real estate deeds, and titles should be kept. Beyond that, it is up to the heirs to decide which sentimental photos or other memorabilia they want to preserve.

SELL VALUABLE ITEMS OR PROPERTY AND DISTRIBUTE THE NET PROFIT EQUALLY

In a scenario where you and your siblings have inherited real estate from your deceased parents, it is important to seek mutual terms as to whether the property should be sold and the profit divided

immediately, or if you wish to keep the property as rental or investment income, or simply share the use of the house.

In some circumstances, one sibling may want to keep the home while others have no interest in it or want it sold for the financial gain. An equal division of value can still be obtained if there are other assets in the estate. Through this agreement, the one who wants the house gets to keep it while the others get cash or other assets, but ultimately everyone receives an equal value of assets. Another option would be that the sibling who wants the house would have to buy out the other siblings' interests in it.

In all of this, it is wise to seek professional advice from real estate investors, agents, and attorneys. They can give personal perspectives from experience on how to sell your house at the highest possible value in the market, and can help you make sales decisions.

Nowadays, it is a more convenient and customary practice to sell any unwanted items online for extra cash rather than simply discarding them. You can hire an estate appraiser to estimate a value for furniture, jewelry, and antiques. Such professionals can provide you an estimate for any valuable items, usually charging an hourly or per-project fee, depending on the location of the house and the type of appraisal you want.

Another traditional method is to hold an estate sale. Here is a tip on maximizing profit from an estate sale in your neighborhood: price every single item you want removed from the house. You never know what people might collect or buy on impulse!

Seek extra hands to help you conduct the business aspects, such as running the cash box or promoting and selling items. Often, an estate sale is not one day, but perhaps three or four.

Make sure to do "telephone pole" and online advertising in your community to get the word out about your sale. This will help to attract customers from areas close-by to come to your sale.

Some cities require some sort of permit for holding a sale; ensure that you comply with the local authorities.

It is helpful for the customers if you post signs or directions in the neighborhood to assist people in directing them towards your sale—be thorough! Good signage is always appreciated, and helps make sure people actually make it to your house instead of going on an impromptu tour of the neighborhood and returning home with empty hands.

If you are unable to sell all your remaining items by the last day of your sale, it is recommended that you set a 50% discount price, or simply give items away to ease your disposal burden.

An alternative to a DIY estate sale is to hire an estate sale or auction company to handle the sale for you. They generally get paid based on a percentage of the sales after they have quoted it with you upfront. Expect to pay 30% to 50% of the entire profit of the sale.

Another option is to hire an estate liquidation company to handle a sale. A liquidator is someone you can hire to clear off any items you don't intend to keep and have decided to sell, discard, or donate. Like searching for a real estate agent, it is important that you do a background check on the company, search for contact information, and call previous clients regarding their opinions and experiences working with them. Typical estate liquidators keep about 35% to 40% of the sales profit, but this percentage can vary depending on services offered.

Have a discussion with the company regarding the research, appraisal, and pricing of your items, the duration of the sale, and how much negotiating with buyers the company will do.

DONATE ITEMS TO THOSE IN NEED

At a certain point, you may find yourself wanting to donate items. Donation is a generous, charitable act that helps those in need instead of simply throwing items into a dumpster. You have a variety of options when donating, including orphanages, veterans' organizations, homeless shelters, disaster victims, and a depressingly wide range of other choices. Items that you no longer need can include almost anything, such as furniture, household effects, clothes, books, cutlery, or toys. Sometimes you can request a transport service truck if you wish to donate many items or particularly large ones.

It is a wonderful way to give back to the community and to be rewarded for a kind act. Furthermore, you can get tax deductions for your contribution. The available tax deduction to the donor depends in part on the donor's items value, which is the value of the items for taxation purposes at the time that it is inherited.

If a charitable donation is not specifically authorized in a will or trust, the estate may not properly take a deduction for the donation. The estate is not eligible for deductions for the transfers to charity by the beneficiaries; however, the individuals may donate items which were passed to them from an estate and can claim a charitable deduction on their personal tax returns.

THROW AWAY ANY REMAINING ITEMS THAT HAVE NO SIGNIFICANT OR SENTIMENTAL VALUE

After you had gone through the process of separating items for yourself, for your family members, for sale, and for donation, the last step to clear the remaining items would be to simply throw them away. Depending upon the size and amount of material to be discarded, this may mean taking it out to the garbage or engaging a commercial clean-out and hauling service.

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CHAPTER 4

Downsides to Inheriting

Bequeathing a house to one's children, while surely an understandable decision, can cause complications for the heirs that they will have to resolve to successfully and profitably sell such an inherited property. Sometimes a house is not inherited by just one child in the family; there may be other children of the same parents, each inheriting their own stake in the house. Trying to sell such a house may be difficult when it is not owned solely by one person.

This is a time for patience and negotiation. The decision to sell inherited property may lead to either agreement or disagreement among joint owners of the property. There are always potential issues when there is more than one heir of an inherited property. One sibling may want the property sold and another may want it kept within the family. This type of disagreement can lead to disputes among the heirs of the property, and ultimately to family discord and disharmony.

Selling an inherited home is not the same as other real estate transactions. Where there is more than one owner of an inherited home, there can be conflict over the appropriate pricing and marketing strategy for the home, even if there is agreement regarding the actual sale. Oftentimes, the sellers not only have to deal with the sale of the house, but are mourning the deceased and at the same time trying to figure out how best to handle the estate. They are going through a difficult period and must try to make practical, objective decisions anyway, which rarely comes easy and often takes a fair amount of time.

Still, as attorney John Kopp—who recently sold his deceased mother-in-law's and mother's homes—said, "it is not a bad idea to swiftly sell inherited properties. Making a quick decision on an estate property early is always better than later because of the carrying charges you have." Maintenance costs and taxes on the property continue to add up and when there is an unoccupied or empty property, there is the additional expense of special vacant home insurance that must be paid for by the owners. This will require substantial financial endurance for as long as the will is probated and until the official naming of the executor completed.

This can be a tedious process. It is recommended that the heirs of inherited properties retain a lawyer who is familiar with both real estate law and estates in general. The process of searching for this lawyer and the expenses involved can be stressful, but if there is no such estate lawyer to stand as a representative for the inheritor, expensive legal mistakes are far more likely, and may prove far more costly as well.

In many circumstances, inherited houses have problems, as they have been lived in for a long time and maintenance may have been neglected. Elderly homeowners do not always maintain their homes. A home that was pristine when your parents moved into it in 1965 and was last updated in the 1980s will need attention prior to marketing.

It makes things difficult for the heirs when things like heating, plumbing, septic systems, and carpets are outdated and need updating. A pending sale of a house might not go through if, after inspecting

the house, an oil tank is leaking underground and needs to be repaired. In such circumstances, you might have to sell the house at a much lower price to compensate for the maintenance issues and concerns. This may require an inspector who will recommend repairs for both present and potential threats before selling the house. Hiring an inspector can, like everything else, be time- and resource-intensive, especially for heirs who live far from the inherited home.

Once the necessary repairs and updates are made on the inherited home, you may calculate the total expenses and find an inordinate amount of money has been invested. This will have a major effect on trying to sell the house. The seller cannot reasonably afford to sell below the market value of the home, plus the value of the repairs and updates they've had to install. This may cause the heir to hike the price of the property unrealistically, though, in an effort to recover the expenses incurred by trying to make the home salable—ironically making its sale difficult, if not impossible. The sale of a property like this can be difficult because it must be priced more expensively to compensate for the higher cost of sale preparations, only for the price to become a barrier to potential buyers, causing the property to take longer to sell.

Sometimes even decently kept houses are crowded with a lifetime of belongings. In such cases, the heir to the house will have to make repairs, clean out the late person's belongings, make necessary updates, and stage the home to market it. Clearing and cleaning out houses usually involves many stages and processes. The number one thing to do is for the family to remove any relevant or essential heirlooms, papers, documents and expensive items. This process may take days—or longer, if the heirs are separated by distance from the home, from one another, or both.

After this, an auction service or a consignment shop can be contacted for the sale of valuable items at fees that average around 25% to 30% of the sale price. The other items that are not sold can be given away or donated to charity organizations. This might be a tedious task because the heir to the house could be living far from the property's location, making it difficult to locate a charity establishment in that vicinity with any real certainty of its quality.

Items of no importance or of minimal value that are left in the house can be hauled out by a cleaning company at prices which are dependent on the contents of the house and the size of items to be hauled away. If there are many items to be carried away, the price may become cause for concern.

Heirs who live outside the area will have to rely heavily on the help of real estate agents for regular supervision of ongoing activities in their absence.

It can get complicated when there are two or more siblings who inherit a home, because each will likely have a different opinion on the price the property should be sold for. Also, multiple heirs will have differing opinions on the inspection of the house and the type of attorney needed because each sibling will have different values—both financial and emotional—in mind. It is the executor who makes the final determination. Where the executor is also a sibling, those determinations can lead to arguments and a breakdown in family relations, so be cautious!

For tax considerations, the tax basis of the inheritance is the value of the home on the day the owner of the willed property died. The difference between the home's value and the amount received after the sale of the property is the gain on which taxes are owed. Where more than one sibling inherits the home, the gain is divided equally and each heir will claim their share of both money and taxes. If the property sells for less than its assessed value, then there will be no gain to be reported.

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CHAPTER 5

How Selling A House In An Estate Differs From Regular Home Sales

A house is sold in probate court when someone dies intestate (i.e., without a will) or without bequeathing their property. When that happens, the state administers the property's sale according to state law. The court wants the property marketed and sold at the best possible price and requires certain steps, processes, and procedures be followed. Probate laws vary by state, but a good real estate agent should be knowledgeable about probate sales both in general and in the specific state where the sale will take place.

A probate sale is the process executed at a county court in the USA where the executor for the estate of a deceased person sells property from the estate (typically real estate) to divide the property's value among the beneficiaries of the deceased. A personal representative of the estate will determine if the real estate is going to be sold at all, though, and is not required to use the services of a real estate broker. Determination of the value of real estate and other functions may need to be performed by a probate referee.

Even absent a will in effect at their time of death, if there is a valid living trust the lengthy and costly process of probate can be bypassed, avoiding fees that include attorney, court, and arbitrator costs. In total, these fees can cost a solid 6% of the overall estate value, whether that value is represented by boats, cars, bank savings, retirement funds, securities, personal items, or the real estate itself. However, you can proceed with the actual probate by yourself if you choose to, although it is a complex process perhaps best left to the professionals. The county court clerk for your area will provide the forms to fill out, with one to publish to all the deceased's creditors.

If real estate is involved in the will of the person who is deceased, the executor may request for themselves to be nominated through estate laws in your state, so the property in the will won't have to go through the confirmation process in court. This will save both money and time, as the house can then be listed and sold like any other home. The executor will accept the best offer and proceed to sign and close the deal when going through the process like any other real estate transaction, but without all the requirements for a real estate transfer disclosure. As a precaution, the executor or the administrator will have any other heir sign a waiver for the notice of the proposed action.

Because the courts are involved with probate selling, trust and probate sales have a different vocabulary compared to regular real estate. Probate sales also involve multiple contracts and disclosure statements that are not used with standard real estate transactions.

If you are buying or selling real property through a probate transaction, then you absolutely must use a real estate agent who has experience with these types of transactions, including trust sales. The agent will be experienced with the special language used with these transactions and can explain the language to you. This includes all the steps and documentation that come with these transactions, as clear communication in probate sales is critically vital.

STEPS FOR PROBATE TRANSACTIONS

Selling real property through probate is a court-regulated process that requires careful management. There are strict deadlines, specialized documentation, and court oversight throughout the property's marketing, offers, negotiations, and sale.

The sale generally involves the estate executor or administrator of the estate, perhaps an attorney representing the estate, a real estate agent representing the seller (the estate), one or more buyers who place bids with the court, and, often, buyers' real estate agents.

Those unfamiliar with probate sales will not understand the specialized vocabulary of probate sales. Such transactions also involve disclosure documents and contracts not used in other real estate transactions. A real estate agent should be experienced in probate and trust sales if you intend to hire them for this process.

TYPICAL PROBATE AND TRUST PROPERTY SALE PROCESS

- **Appointment of an Administrator or Executor.** Usually, the decedent's will names an Executor accountable for distribution of assets, including real property. If no executor is named, if the named executor is unable or unwilling to serve, or if there is no will, the court appoints an Administrator.
- **Executor establishes a list price for the real property.** The Independent Administration of Estates Act (IAEA) provides that the price may consider the appraisal by the Probate Referee. Listing price is normally determined with the assistance of a real estate agent experienced in probate and trust sales. The property is then listed for sale through that agent/broker.
- **The real estate agent markets the real property.** This generally involves several approaches, including signage, newspaper advertising, listing on one or more real estate websites and hosting open houses for other real estate agents and potential homebuyers. The real estate agent will also schedule appointments to show the

property to interested parties who inquire directly. Buyers of probate property may be looking for a bargain; however, their offers are limited by the court. An accepted offer must be at least 90% of the Probate Referee's appraised value. Once a buyer is found, the real estate agent assists the seller in negotiating terms that are satisfactory to both parties.

- **A Notice of Proposed Action is mailed to all heirs.** A notice stating the terms of the proposed sale is distributed. The heirs have 15 days to present any objections. If there are no objections, the sale proceeds without a court hearing. If one of the heirs poses an objection to the Notice of Proposed Action, notice of the sale must be published in a generally distributed local newspaper.
- **The attorney for the estate applies for a court date.** Also known as a "confirmation hearing" when the sale will be executed, the court date is usually within 30 to 45 days of the application's filing date. A copy of the application and details concerning the sale are mailed to all interested parties.
- **The real estate broker continues to show the property.** In the interests of possibly securing an "over-bidder" and raising the price of the home even after the confirmation hearing date has been set, the house will continue to be marketed. This is because during the court confirmation hearing, the previously accepted bid may be "overbid." The overbidding party must appear at the hearing with a cashier's check for at least 10% of the minimum overbid price to successfully overbid. The minimum overbid is determined by the following formula: 10% of the first \$10,000 plus 5% of the balance of the accepted offer.

EXAMPLE: A property is listed at \$200,000.
The accepted offer is \$175,000.

The minimum overbid is calculated as follows:

Accepted offer = \$175,000

+ .10 x \$10,000 = \$1,000

+ .05 x \$165,000 = \$8,250

Minimum overbid = \$184,250

x .10 = \$18,425 required amount of cashier's check

If there is more than one over-bidder, the highest bid takes the property. Giving a cashier's check to the Executor/Administrator opens escrow, which will close approximately 30 to 45 days from the court hearing.

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CHAPTER 6

Determining the Value of an Inherited Home

There are multiple ways to determine the value of an inherited home. It is not a simple formula, nor an entirely mathematical one. Many elements factor into the decision. You often see similar and similarly situated houses sell for very different prices. A calculated home value is not necessarily what you believe your inherited home is worth. Recognizing this helps avoid overpricing, one of the most common reasons for a home to spend months languishing unsold on the market.

Familiarity with the real estate terms market value, appraisal value, and assessed value can save you a lot of disappointment and frustration and allow you to more meaningfully engage in setting a home's listing price.

The most-used definition of "market value" is "the most probable price a property *should* bring in a competitive, open market under conditions requisite to a fair sale." Essentially, this is a pre-negotiation opinion of what a house should bring in its local market, i.e., its geographical area, generally confined to a specific region such as a suburb or neighborhood.

"Appraisal value" is based on "an evaluation of a property's worth at a given point in time that is performed by a professional appraiser." Appraised value is an important factor in loan underwriting and determines how much money may be borrowed and under what terms. For example, the Loan to Value (LTV) ratio is based on the appraised value. Where LTV is greater than 80%, the lender will generally require the borrower to buy mortgage insurance.

"Assessed value" is the amount local or state government has declared for a specific property and frequently differs from market value or appraisal value. This assessed value is used as the basis for if a property tax is levied and, if so, how much that tax will be. The assessed value of real property is not necessarily equal to the property's market value: approximately 60% of U.S. properties are assessed higher than their current value, though this does not reflect what the homes actually sell for.

WHAT IS YOUR INHERITED HOME WORTH?

For Real Estate & Lending Question Please Call
The Brokers Real Estate Services at 877-674-6636. CA Dept of RE Lic. 02114850

The first step in selling your inherited property, which may be in a market with which you are not familiar, is knowing the difference between value, worth, and price. Let's examine the determining factors at work. Understanding those factors allows them to be leveraged. There are several ways a home's value is derived:

ONLINE HOME VALUATION

A simple place to start determining the market value of a house is at your computer. There are any number of free online tools which will provide an estimate of your home's current value using a comprehensive database of recent comparable home sales in your area. Note that the assessment is based on available data with no guarantee of accuracy and often using an algorithm that simply averages comparable sales in the geographic area. These are quick and easy, but do not answer questions regarding factors like location and current local trends. Be aware that in practice, the prices arrived at might be highly inaccurate and should be treated as a ballpark estimate at best.

For example, a home in Ohio was put into one such system, Redfin (go to www.redfin.com and hover over the "Sell" dropdown, and an option titled "What Is My Home Worth" should appear), last sold for \$180,000 in 1998; it was appraised for refinancing in 2015 at \$275,000. In 2017, Redfin's calculator valued this 1890 Victorian home (4 bedrooms, 1.5 baths, and 2100 sq. ft.) in a four-block area of "Grand Old Ladies" at \$158,00. The apparent reason is that the six "comps" (comparable recent sales) include only 2 homes in this desirable neighborhood (over \$300,000), while four others are outside this small neighborhood, although close, and sold for \$150,000 to \$199,000. Information that would be known to real estate professionals with expertise in the area is missing. These tools are worthwhile for obtaining "comps" of area sales; however, they are not highly accurate in arriving at a listing price.

PROFESSIONAL APPRAISAL

Nothing determines the sale price of a piece of real estate but the price at which it sells. Houses are not same-price identical tins of tuna on the grocery store shelf, nor shares of stock valued and traded every day on the stock exchange.

Real estate appraisal (aka "property valuation") is the process of developing an opinion of value for real property. This is the "market value," i.e., what a willing and reasonable buyer would pay to purchase the property from a willing and reasonable seller. Real estate transactions almost always require appraisals because they occur infrequently on a given property and every property is in some way unique in its features and characteristics.

An appraisal helps with various decision-points. The seller can use the appraisal as a basis for pricing; the buyer can use it on which to base an offer. Lenders use appraisals to know how much money to credit to their borrowers.

The principal factors in a house appraisal are:

- dwelling type (e.g., one-story, two-story, split-level, factory-built)
- features (including design)—materials used, the kind of structure present, and how the structure was built
- improvements made by the seller
- comparable sales
- location—kind of neighborhood, zoning areas, proximity to other establishments
- age of property
- size
- depreciation

GENERAL CONDITION OF THE PROPERTY

Condition, of course, is a crucial factor in valuation. Location is also a factor; but as property cannot change location, it is often the upgrades or improvements to a residential property that can enhance its value.

A professional appraiser should be a qualified, disinterested specialist in real estate appraisals with expertise in your region. Their job is to determine an estimated value by examining the property, looking at the initial purchase price, and comparing it with recent sales of equivalent properties. The fee for this service is usually between \$300 and \$500.

CURRENT MARKET APPRAISAL BY A REAL ESTATE PROFESSIONAL

This home valuation is free from real estate professionals and more helpful than automated online offerings. It provides detailed information on each house sold in your area over the last six months along with the final sale price. It also includes the specifics of all the houses for sale in your area, including the asking price. These homes are your competition. The real estate professional will also be able to answer any questions you might have and help you price your home realistically.

Along with an understanding of how the worth of a home is determined, the current market must be considered. By utilizing a professional real estate agent, you can rely on proven expertise to market your home at the best listing price.

I personally would be happy to provide you with a Current Market Analysis—see the last page of this book if you would like more information on how to request a free home valuation!

Reset

CHAPTER 7

Four Ways to Sell Your Inherited House

With many inherited house situations, the objective is a swift and efficient sale; speed may take precedence over maximizing the sale price. Additionally, a home vacated by a recently deceased elderly person may not have been updated or even properly maintained in 10 or 20 years. Further, the inheritors may not possess, or want to spend, the funds involved in getting the home prepped for an absolute top dollar sale.

Strategize carefully to pursue your objective (are you out for top dollar, a quick sale, a substantial or minimal investment), then decide the manner of sale you think will suit your goal best. The methods that are selected in this short list are the best and most reliable, but every technique has its pros and cons.

AUCTION

If you are looking for a quick sale, selling a house at auction may be the natural choice. Selling a house at auction can be the quickest method, and can also be very profitable. An auction is a great tool for quick sell with the least amount of hassle.

There are many reasons why homeowners choose to sell their properties at auction over other house sale methods:

- Homeowners looking to secure a quick sale are likely to try selling their house at auction to eliminate house sale fall-throughs at the eleventh hour, which are common on the traditional open market.
- Individuals who have inherited an unusual or rundown property who would struggle to sell on the open market may sell through auction. Auction houses attract many buyers looking for their next project, so chances of achieving a successful sale increase.
- Multiple buyers in one room can create a “bidding war” and rapidly drive up the sale price.

STEPS INVOLVED IN AUCTIONING A HOUSE

- **Select an auction firm.** There may be several in your area. Research each carefully to decide who you'd like to have auction your property. Study their brochures, online presence and reputation (i.e., look for online references or reviews), and websites. Ask how their auctions are advertised to buyers to assess who you feel would do the best job attracting potential buyers for your property.
- **Obtain property appraisals.** Request appraisals from a few different auctioneers. Do this while you are researching auction houses. Each auction house should provide what they deem to be a good reserve price and details of what fees are payable.
- **Instruct your chosen auction firm.** Once you have chosen your preferred auctioneer, you will need to officially instruct the company to sell your property and sign any relevant contracts (this is similar to instructing an estate agent to sell a house). At this point, you will be expected to pay admin and marketing fees.
- **Consult your real estate attorney.** You will need to engage a lawyer to assemble the legal documents for the property you are selling. This should generally include copies of the property's title deeds, any special conditions of sale, title search, lease (if applicable), and other relevant documents. The documents are then available to potential buyers to inspect up to the day of the property auction.
- **Set your reserve price.** You need to set a reserve price in advance of the auction. This price can be discussed with your real estate agent and the auctioneer. The reserve price you set is the minimum amount you will accept for the sale of your property. Not setting a reserve price is a major mistake that can result in a catastrophic sale price.
- **Auction firm markets the property.** Once the auction firm has been instructed, it will begin marketing your property. You should be clear about the different types of advertising and any associated costs well prior to this point.
- **Day of the property auction.** You may be present when the auction takes place, but this is not required and the auction firm will provide you with an update of the sale's outcome once it is complete. According to Quick Move Now, one of the largest cash house buyers, a tactic auctioneers commonly employ is to commence with a bid lower than the reserve price, allowing potential buyers to start a bidding war. As well as bidders who are physically present, the auctioneer can also take commission bids from buyers unable to attend. In these instances, the auctioneer will bid on behalf of the absentee up to their maximum bid. If your property receives a bid above the reserve price, the sale will then become legally binding.

If the reserve price has been met and the hammer goes down, the house's sale is now legally binding. In addition to marketing and listing fees the seller has already paid, the auctioneer will typically take a commission of 2.5% of the sale price. Winning bidders must provide proof that they have cash funds available, or a mortgage in place at the point of auction. If the sale is successful, the purchaser will have to pay a 10% deposit on the day with the remaining 90% payable within 28 days of the auction.

Timing varies, but generally the time taken from auction to completion is approximately 28 days. You'll also need to factor in marketing time in the lead up to the auction. You'll need enough time to generate interest in the property to maximize your chances of achieving a fair price. All in all, you are probably looking at 2-3 months from the point of deciding to sell at auction to completion.

PROS

- If buyers let emotions take over, the bidding war can be fueled by their emotional investment and drive the price higher than it should realistically go. Competition and ego often encourage emotions. Nobody wants to lose so everyone keeps bidding. People get caught up in the auction and end up paying more than the actual value of the property.
- The house is sold 'as-is' so no fixes and repairs are expected to be done by the seller. You can also leave anything that you don't need, anything that you can't be bothered with, and it will be sold with the house. Other than repairs, you also won't have to worry about city inspections; that's the buyer's problem.
- There are hardly any contingencies and the deposit is often high. The buyer will not have a way out of the contract and he will have to deposit at least 10% of the contract price or \$2,500 immediately after the auction.
- If the property isn't closed on in 30 days or less, the buyer forfeits the deposit, which will ensure that only serious buyers apply for the auction.

CONS

- The biggest downside of an auction is that it is unpredictable. The outcome is uncertain, and you can be left with much less than you were hoping for. This can be mitigated by setting a reserve price, but remains a problem.
- You must hire a skilled professional, and skills come with a price tag.
- There is no guarantee that you will successfully sell a property at auction. In fact, only 75% of property auction listings achieve a successful sale.
- Regardless of whether your property sells or not, you must cover the costs of the auction.

SELL TO AN INVESTOR

"We Buy Houses," or "We Buy Ugly Houses"—you see the signs on telephone poles at intersections. Real estate investing is huge business. There are many top-notch real estate investors in almost every city. They are always "on the lookout" for a new purchase, and you should be able to find one rather easily.

However, beware of scamming. There are many scams, which means that you need to find the right investor to avoid getting swindled. According to the Federal Bureau of Investigation, reported cases of mortgage fraud have skyrocketed in line with the rise in home prices in many U.S. markets.

One of the most prevalent scams is home appraisers over-inflating home values to secure larger loans. In one example relevant to the inheritor of a house in need of updating and repairs, the buyer

uses a fake identity or another person's name and credit history to obtain a fraudulent loan. This person commits identity theft and mortgage fraud to swindle the seller and lender.

The "buyer" offers a much higher price than the home is worth, locks in a loan for the over-valued price, and then pockets the difference. In a worse situation, the swindler convinces the seller to finance some of the cost of the mortgage. The seller ends up handing cash to the "buyer," who has no intention of purchasing their home.

Real estate investors buy properties to make cash, and you should always keep that in mind when you are selling to an investor. Begin by researching who you do business with. When the right investor is hired, typically the investor or one of his agents will come and check out your house. They are going to ask you questions about the house and give a quick appraisal. Sometimes this process can be done over the phone, without having to meet.

They often buy houses that need to be sold as quickly as possible. The houses are then repaired, restored, and sold for far more money than they were bought for. That is why most investors try hard to get the lowest price possible when purchasing the house.

Selling a house to an investor should not be your first choice. It is only a primary choice if you are in a hurry to sell the house. Sometimes you can get an offer on the house within a couple of days, and you can close the deal within a week. It will almost always be quick and painless. Additionally, you won't get unexpected fees and commissions.

PROS

- A big perk of selling a property to a real estate investor is that they will buy the house "as is." If the house is bought in "as-is" condition, you won't have to do any repairs by yourself. This is particularly attractive in an inherited home situation where it has been decades since substantial updating, remodeling, or repairs and maintenance have been done.
- The investor is much more likely to buy a house that needs major repairs than the average buyer. The usual buyer wants to move into the house and begin living in it as soon as possible. The investor wants to give it a makeover and sell it for a profit. There are times the investor won't even have to see the house because he intends on flipping it, so the deal can be made very efficiently.
- Another benefit to selling to an investor is a more dependable and quicker closing. This is counter-balanced by the fact that the deal can fall apart if the buyer suddenly runs out of money. When the buyer backs out of the agreement, the seller can be left with nothing except for the house that he already wanted to get rid of. Many months can be wasted while you have maintained insurance, taxes, and mortgage. A cash closing will prevent this from happening. By selling the house "as-is", you will be able to leave all the

unwanted stuff in the house. Everything you don't want in your new home can be left in the old one, and the investor will buy the whole package.

CONS

- The one con is what you are going to receive for your house. Investors profit from reselling the property. For them to succeed in this, they will always try to buy the house for the lowest price possible. You can almost be certain that an investor's offer will be less than the actual value of the house. There is almost no chance you'll get full value for your home in this situation.
- It's not suggested to sell to an investor unless you are in a dire situation.

FOR SALE BY OWNER

There is a reason that one of the best sources for "pulling leads" for real estate agents and brokers is FSBO (For Sale by Owner) listings. After a home seller has attempted the enormous and complicated task of selling a home, they are fertile ground for hiring a real estate agent.

The most unreliable and riskiest house-selling on this short list is For Sale by Owner, meaning that you sell your inherited property by yourself without the help of real estate agents, lawyers, or other professionals. This means that you won't be hiring a licensed real estate agent, which, in most cases, proves to be a mistake.

People want to save money on commission and fees, so they take this step into the unknown. Such an action is tantamount to representing yourself in court on a complex business case. Professionals in a field exist for a reason and a purpose. If they were useless, people would stop hiring them.

However, if you decide to sell yourself, there are certain preparations that need to be made. First, try to focus on web marketing. The best way to attract as many potential buyers as possible is through the Internet and social media. You will have to appeal to a great number of people so that many offers are made.

You should also repair everything in your home and put everything in order so that the online photos attract potential customers.

Making sure the price is right will ensure that you don't lose money. This means that you will have to do research and hire an appraiser. To make sure you don't get hustled, you will probably have to hire a lawyer, too. Hiring all these people will make you wonder if this is really a way to save money.

PROS

- No commission.
- Full control of the process (this is both a pro and a con). You get to pick the price, the appointment times, and when/how/if you negotiate with a buyer. If a real estate agent is selling your home, there are going to be people walking through at any time throughout the day, so the home must be kept in showing condition constantly.
- You know your home, so you can point out all its amenities in their best light.
- There are a lot of channels for you to list your home. You can put a sign on your lawn with attractive flyers, put an ad on Craig's List, and list it in local papers and on websites like ForSaleByOwner.com, HomesByOwner.com, Zillow.com and Owners.com.

CONS

- The home may sell for a lot less than it is worth. Statistics show that the average FSBO home sells for as much as 15% less than homes sold through traditional real estate agent channels.
- Your house sale will have less visibility. While there are lots of venues for you to promote your home, only real estate agents can list homes on the Multiple Listing Service (MLS), which is one of the biggest online tools real estate agents use. Real estate agents have more experience in promoting your home through ads, signs, and other methods.
- Preparing the legal forms, disclosures, and other paperwork is your responsibility, and if you're unfamiliar with the guidelines and requirements, you take the risk of financial and legal liability.
- You will have to educate yourself on the home-selling process, the current market climate, advertising methods, and on how to work with potential buyers.
- It might be harder to weed out unqualified and uninterested buyers without prior experience. People who may not be able to get the proper financing will seek out homes that are FSBO because they know most private sellers are inexperienced. You'll also get just curious folks who aren't serious about buying but like to look around. These types of inquiries will waste your time and can distract you from serious buyers.

HIRING AN AGENT

The most common way of selling a property is to hire a real estate agent. This might also be the least risky, most reliable way to sell your inherited house at the best price.

In today's realty market, the selling and purchasing of a residential property involves more than 100 people with different skills and expertise who participate in the transaction from start to finish. Whether it is for a home inspection or a title search, it takes more than 20 steps to finalize the sale of your home.

As a seller, it can seem overwhelming to try to anticipate and coordinate every step necessary to ready your home to show, list, market, and sell. An experienced real estate professional who is knowledgeable in all phases of real estate can make the process much easier. You do not need to have real estate expertise if you engage a real estate professional who does.

No matter how long you have lived in your home, a real estate professional in the local area will know considerably more about the sale price history and market trends than you do. Since a real estate agent is paid a commission of your selling price, it is in his or her best interest to price your property effectively. They want to earn the highest commission possible, but they also want to guarantee the sale within a reasonable amount of time.

Real estate agents network with other professionals, many of whom provide services that you will need if you want to buy or sell a home. They can advise on service providers' reputations and provide references who have worked with providers in the past.

Agents either possess intimate knowledge about your area or have the contacts and resources to find the necessary information. They can identify comparable sales, in addition to pointing you in the direction of sources where you can find more data on schools, crime, or other demographics to provide potential buyers.

For example, you may know that a home down the street was on the market for \$350,000, but an agent will know it had upgrades and sold at \$285,000 after 65 days on the market and after twice falling out of escrow.

A real estate agent will also have market condition data, which will affect your selling process. Many factors determine how you will proceed. Data such as the average per square foot cost of comparable homes, median and average sales prices, average days on market, and ratios of list-to-sold prices will have a huge bearing on what you ultimately decide to do.

Attempting to sell your home without an agent requires a major effort, the commitment of substantial resources, and countless hours understanding and organizing all the work.

A professional agent's career depends on their ethics and ability to build relationships with their clients and the community they serve. Agents who are looking to make easy money rarely go to the effort of establishing a solid marketing plan or work at strategic pricing.

There are many ways of finding a good broker. Personal recommendations from friends and colleagues are often helpful. If someone outside the real estate business with nothing to gain is bringing up a broker, you can be pretty sure you are on to a winner. The best brokers—the top 10%—do 80% of all the business. Do not get stuck with a lemon. You want someone with enthusiasm and drive, someone who will give you the attention you need and steer you through the whole messy process with courtesy and professionalism.

Take the time to interview real estate agents in your area. Here are some traits to look for when hiring an agent. Are they:

- **Current?** Is the agent up-to-date with the latest housing trends so he/she can serve you effectively?
- **Connected?** Does the agent have the necessary contacts to assist in every phase of selling your home? A network of connections includes home inspectors, quality service people, other brokers, and county officials.
- **Knowledgeable?** Is the agent familiar with the current market and able to price your home strategically? Do they know what is unique about your neighborhood to distinguish your home from the competition? Do they know what to highlight in your area to attract buyers?
- **Organized?** An agent must pay close attention to your specific needs, communicate well, and be quick to follow leads.
- **Personable?** An agent who is sincerely interested in helping you will go the extra mile with a smile. They must be able to sell themselves to you as well as sell your home to a buyer.
- **Passionate?** Some agents treat their job like a hobby or just a way to earn extra income. Find an agent who is passionate about what they do and loves their job.
- **Tenacious?** Successful agents possess a strong work ethic. They are efficient and take advantage of time-saving tools that help sell your home.
- **Honest?** Professional real estate agents build their reputation on high standards and good business practices.
- **Self-motivated?** Real estate agents are commission-only businesspeople. Successful agents work hard because what benefits their clients benefits them.
- **Creative?** Sometimes it takes creativity to properly showcase a home, develop engaging content, and negotiate a sale. An agent flexible enough to quickly address any marketing need is an asset to you.
- **Tech-savvy?** Agents well-versed in the latest technology for marketing homes should have a website, social media setup, user-friendly home search options, and quality presentations online with high-resolution images of homes, as well as videos and slide shows. Some real estate agencies even have smart-phone applications.

A professional real estate agent wears many hats. They must be proficient in marketing, negotiating, consultation, legalities, property taxes, and, most of all, gaining the trust of their clients. An agent who will meet your specific needs is certainly worth the commission he/she will earn.

Having an agent represent you in your home sale benefits you. Agents negotiate from a different vantage. Unlike most buyers and sellers, they can remove themselves from the emotional aspects of the transaction. Agents are more proficient in negotiating because conducting negotiations is a regular part of their professional work and practice has honed their skills. It's part of the real estate agent job description and training.

Good agents are not simply go-between messengers delivering buyer's offers to sellers and carrying counter offers back and forth. They are professionals who are trained to advise their client on their options and the consequences of their choices and then present their client's case in the best light while holding client information confidential from competing interests.

The real estate agent can be a buffer between seller and buyer, keeping the transaction professional and “at arm’s length.” This is important in the negotiation phase when emotions are liable to be at their highest. The real estate agent can further assist by filtering all those phone calls that lead to nowhere from bargain hunters and real estate window-shoppers.

Having a real estate agent when the home is being shown is a distinct advantage for a number of reasons. The agent will field the scheduling calls, arranging them for the seller’s convenience to the best of their ability. The agent is also the one to physically show the home, saving the seller that time-investment. The agent fields the follow up questions. In short, having an agent will lessen the seller’s time and energy investment, while encouraging serious buyers to immediately write an offer.

Handling real estate transaction paperwork is also a big boon to the seller. One-page deposit receipts were prevalent 40 years ago. Today’s purchase agreements run 10 pages or more. That does not include the federal- and state-mandated disclosures, nor disclosures dictated by local custom. Most real estate files average a thickness of between one and three inches of paper. A single mistake or omission could land you in court or cost you after-the-fact.

Speaking of after-the-fact, even a smooth closing without complications can come back to haunt you. For example, tax authorities that collect property tax assessments, document stamps, or transfer tax can fall months behind and mix up invoices, resulting in a snag. These may be hard to handle without knowledge of the system. A good real estate agent will deal with these issues. Questions often arise that were overlooked in the excitement of closing. A proficient agent will be there to assist.

Reset

CHAPTER 8

Inherited Home Sales & Taxes

Selling an inherited home may involve taxes on that home, as special tax rules apply if the house you are selling is inherited.

Some people are under the impression that the money received on the sale of an inherited property is tax exempt, while others believe they will owe capital gains tax on any sale above the amount the will maker paid for the house.

Others wonder, if you inherit a home, does the \$250,000/\$500,000 Home Sale Tax Exclusion apply to the sale of the property? We will examine those issues here.

CAPITAL GAINS AND INHERITED HOUSES

Tax laws give homeowners a tax exclusion upon the sale of their property of up to \$250,000 of any gain from such a sale received by a single homeowner. Married homeowners filing jointly get an exclusion from income of up to \$500,000 of gain.

To qualify for the exclusion, the home must have been used as the primary residence for two years out of the prior five years before the sale. Therefore, unless the inheritor moves into the house as the primary residence for two years, the tax exclusion is not available.

However, the stepped-up basis rules in inherited property may help your tax situation in selling an inherited home.

Let's start with what "basis" is. In real estate, basis is the amount your home or other property is worth for tax purposes. When the house is sold, the gain or loss for tax purposes is determined by subtracting its basis on the date of sale from the sales price. The larger the basis, the smaller the profit is, reducing tax liability.

However, a home's tax basis is defined differently when someone inherits a home. Cost is not the starting basis for a home received as an inheritance. The basis of property you inherit is the property's Fair Market Value (FMV) at the time the owner died.

When you inherit property, such as a house or stocks, the property is usually worth more than the prior owner's basis. If you were to sell the property, there could be huge capital gains taxes. Fortunately, when you inherit property, the property's tax basis is stepped-up, which means the basis would be the current value of the property.

The bottom line is that if you inherit property and later sell it, you pay capital gains tax based only on the value of the property as of the date of death—your basis is "stepped up."

For instance, if you inherit a house that was purchased several years ago for \$100,000 and it is now worth \$300,000, you will receive a step-up from the original cost basis from \$100,000 to \$300,000. If you sell the property right away, you will not owe any capital gains taxes. If you hold on to the property and sell it for \$450,000 in a few years, you will owe capital gains on \$150,000 which is the difference between the sale value and the stepped-up basis.

OTHER TAX

Heirs may have to pay property taxes as soon as they inherit real estate, and they will continue to pay them for as long as they own the house.

Many states cap how much the assessed property value can rise from year to year; however, when someone buys or inherits real estate, it will be reassessed at current market value. Even if subsequent assessments are capped, the initial reassessment can result in heirs paying thousands of dollars more in taxes than the previous owner.

Some states offer an exemption. California state law, for instance, states that if the heir is the spouse or child of the owner, there is no reassessment.

They say where there is a will, there is a way. And, if the will names you as the sole or partial beneficiary of a home upon the death of a relative or friend, you will need to adequately prepare for the financial and personal ramifications.

Being named as a beneficiary of the real estate in a will can present challenges as well as rewards. Unless you are the surviving spouse, in which case legal transfer of the property to you should occur

relatively quickly, seamlessly and without tax penalties, receiving an inheritance can be a long and complicated process. It could take several weeks for the executor of the estate and the courts to divide the deceased's assets and property, including the home.

Once ownership of the home is transferred to you, the government may deduct federal, state, and/or local taxes from the estate if its taxable net worth is more than a certain amount. Inheritance tax is imposed on the transfer of assets, including real estate, at death. The rate depends on the relationship between the descendant and the inheritor.

Estate taxes, meanwhile, are imposed on the value of the property at death. The Federal government currently has an estate tax on estates worth more than \$2 million dollars. Some states have an estate tax, some have an inheritance tax, and some, like Maryland, have both.

To further understand the difference between the two, an inheritance tax is an assessment made on the portion of an estate received by an individual. Eleven states still collect an inheritance tax including Connecticut, Indiana, Iowa, Kansas, Kentucky, Maryland, Nebraska, New Jersey, Oregon, Pennsylvania, and Tennessee.

An inheritance tax is different from an estate tax, which is a tax levied on an entire estate before it is distributed to individuals. If you were to inherit a home worth, say \$3 million, the federal estate tax would be \$450,000. If you decide to sell the inherited home, you will probably be required to pay capital gains tax on the difference between what you net from the sale and your basis, which is the purchase price plus improvements minus depreciation.

Reset

CHAPTER 9

Prepping an Older Home for Sale

Selling an inherited and now vacant house requires taking that extra bit of care to make sure the details are attended to, such that there is a high probability of getting a sale and to encourage the buyer that there is no reason to be hesitant about considering your property.

One advantage to selling an unoccupied and mostly empty house is that it allows the potential buyer's imagination to run wild during the home viewing. Without the distractions of furniture and homey touches, prospective buyers can imagine their own things in every room and start mentally placing their own lives in the vacant spaces.

Having to empty the house could well be a blessing in disguise if the former owner was the type of homeowner to leave clutter everywhere or who had outdated or flamboyant taste in decoration. Too much personalization will leave potential buyers unable to picture themselves there, as they will be distracted by the clutter.

There are ways to make an empty house feel homey. The impression you want to give is that it is a home eagerly awaiting a new family to start creating memories. You do not want it to look neglected and sorry for itself, as if it had been abandoned. A house needs to have character to encourage a sale and there are ways to give a vacant home the appropriate bit of personality.

CLEAN! THEN CLEAN MORE!

This sounds obvious—cleanliness is next to salesmanship. However, many sellers believe a quick vacuum once they have packed up all the stuff is enough to call the place clean.

A house on the market must sparkle to the point where it does not appear as if it has ever been lived in. Buyers are looking for a fresh start in their home-buying experience and will turn away from anything not meeting their “fresh start” expectations. Bear in mind that moving furniture out of the house exposes all floor and wall areas. Keep up with cleaning on a regular basis for however long it takes to sell.

The buyer will use the sense of smell as much as sight in viewing the house. Eliminate all pet and food odors. Make sure the place smells fresh at all times. Keep the home aired out by opening windows every few days, and invest in plug-in air fresheners for a longer lasting effect. Keep the home smelling fresh and well-maintained, rather than musty and deserted.

Bad smells can be evidence of deeper problems, such as mold or mildew. If you smell either, try finding the source of the moisture and act to remove the problem. You may need to call a professional if there is a cracked foundation, water leak, or roof leakage. Using a dehumidifier to keep the moisture level down in a place that stays damp and dark is a good idea.

Scrubbing smelly areas of the house using boric acid, white vinegar, and hydrogen peroxide is an effective way to get rid of the smell. Once done, don't forget to ventilate the rooms with fans or open windows, or keep the air conditioning on.

Opening the windows and letting the sunshine in will also help reduce the smell of these musty areas. Zeolite powder is also an effective way to deodorize smells in the house. It is reusable and long-lasting. Charcoal is another substance that can be used to deodorize. Baking soda is also a safe and effective way to combat musty odors in the house. You can do so by spraying baking soda over the problem area, which will help soak up moisture and defuse the smell. It is preferable to leave on overnight and vacuum in the morning.

LANDSCAPING

First impressions are paramount in homes sales and the last thing you want is for a potential buyer to be put off before they have even entered the house. Give prospects a warm welcome by ensuring you keep the outside looking neat and tidy. Trim the hedges, mow the lawn, and, depending on the season, keep on top of snow removal and fallen leaves. You want your house to look like you just moved out that morning and the building is still alive.

Allowing anything to become unkempt and derelict is going to give the impression that the house has been abandoned and neglected, which is never going to help a sale.

OUTDOOR MAINTENANCE

You must also pay attention to the finer details of the exterior of your inherited house. Clean and maintain the gutters to avoid mess and check on the paint work, roof tiles, and brickwork. Walkways should not be cracked or broken. A frequent turn-off for a potential buyer is to arrive at a property and realize that their first thought is of everything they see that they would need to attend to.

In appropriate seasons, you also want to create the impression that your house can withstand the different weather elements. If your house is still in great shape in harsh weather when other properties are looking tired and shabby, that will increase your chances of a sale.

PLAY UP YOUR ASSETS

An advantage of selling a vacant house is that any strong or unique feature your house has will not be obscured by your possessions. Buyers may look at a vast number of properties before deciding on which one is for them, so you need to highlight features that make your house stand out. Here is your opportunity to make the most of it and to make your features stand out.

If your house has hardwood floors, for example, make sure they are gleaming. Is there a dramatic view? Take those curtains down and let the light shine through. The golden trick to all of this is letting the buyers discover everything for themselves. If you have to point out the floor or the view, then it is likely not going to be enough to encourage a sale.

There is psychology involved in selling a home. If buyers are to be convinced to part with a vast sum of money, they need to have confidence that it is their decision. Buyers do not want to feel convinced into saying yes; they'll want to fall in love with the house on their own accord. Let the house speak for itself by making it look its best.

FURNITURE

With the accumulated memories and personal belongings of the former occupant removed from the house, buyers have the opportunity to picture their own life here. The best thing you can do is give them a nudge in the right direction.

Place certain pieces of fine furniture strategically to help the buyer establish what they can do with the space. A chair by the window is enough for the buyer to picture a relaxing morning with a book staring out at the view. A table in the dining room gives an idea of the space available to work with and how many people can come over for dinner.

A few plants here and there on countertops will bring color and life back into the house. It could easily be the difference between a sale and a near miss, so it's worth the effort.

These subtle little hints will create the blank canvas aspect that you are going for, plus it will do wonders for encouraging the buyers to begin envisioning their own lives here.

UPDATE FIXTURES

Anything broken must be repaired and anything looking rundown should be replaced. This is so the buyer does not immediately get overwhelmed with a list of "little" things to change and fix if they agree to buy. You want your buyer confident that they can get the keys and just start living. Anything that feels like too much of a "fixer-upper" will be a major turn off for most buyers. Make sure you check all the doorknobs, faucets, and lights—and then fix them.

SMALL REPAIRS AND TASKS TO CONSIDER

When selling a home that you have inherited, your rooms will look larger if the walls are light colored and the lighting is bright. If any walls are painted in a dark color, you might want to think about painting them white or off-white.

If the walls are a light color but dirty, another coat should freshen them up. Increasing the wattage of the light bulbs in the house can brighten it up as well.

If the house is carpeted, replace or completely clean stained or odorous areas. If you don't want to replace the carpet, a good shampooing should take out the worst of the dirt and make it smell better. Clean and polish all the mirrors and windows.

Thoroughly clean the oven or remove it if dated or damaged and not worth selling with the house. Clean the drip pans under each burner and inside the oven. Ensure all the dirt build-up and grease are removed. Polish the exterior until it shines. Also clean the other appliances, such as the dishwasher and refrigerator. Clean all kitchen countertops and keep them uncluttered. Reduce the number of items in all the cabinets in the house, including the kitchen cabinets.

Clean the window treatments, including blinds, and get rid of all fingerprints around light switches and doorknobs. Be sure the areas around the trashcans are cleaned, especially the one in the kitchen.

Closets should be empty or with only a few clothing items hanging neatly, rather than being overcrowded. Remove items on the floor and shelves, so rooms look cleaner and more spacious. The basement, garage, and attic space should also be cleaned and tidied up.

If the home you inherited has any squeaks, leaks, or rattles, do all you can to eliminate them. These noises and sounds impart the impression that there is work which needs to be done. Tighten loose screws, bolts, or nuts on doorknobs, light switches, and cabinet hinges.

Tack down any loose moldings. You might want to clean and replace the caulking in the house. If the steps, stairs, or banisters are loose, tighten them. Repair any water leaks and eliminate signs of water damage. You can paint over water stains or replace damaged wallpaper. Fix any doors or windows that do not open and close smoothly.

Every potential buyer who tours your house is going to be looking for something a little bit different, but you can do a few things to help make your house as appealing as possible to everybody. Every home takes on the personality of the person who owns the house. This is going to happen normally. However, when you put a house up for sale, you need to eliminate as many personal items as you possibly can. Remove all family photos and other personal items that may be on the walls or counters, such as certificates, posters, or trophies.

You want all potential buyers to see this house as their next home. If there are items from someone else's personal life on display, this is difficult for buyers to do.

Often, the exterior paint on an inherited home where someone has lived for many years may be in disrepair. Painting the outside of the house might be expensive, but it can be an excellent way to convince potential buyers to pick your house.

Carefully calculate whether this is an investment that will provide adequate return (i.e., an increase in the listing or sale price). Work with your real estate agent to decide if investing \$15,000 on an exterior paint job will either increase the potential value of the house by that amount, or cause it to sell quicker. It may be worthwhile to have this done in some circumstances, especially if the house is overdue for a paint job anyway. In inherited property situations, it may be better to consider a price concession to adjust for the cost of the new owner repainting.

If your whole house does not need to be painted, a touch up might be all that is necessary. Paint the door while you're at it. This is what visitors will see when they initially come in. Ensure that the mailbox, if outside, is attractive. Other exterior features such as the fence or garage door should be painted as well.

Before someone buys a house, they usually get it professionally inspected. You might want to do this yourself. Have your inherited home inspected if you want it to sell; if there are no problems, you can use that as a selling feature.

On the other hand, you may not be aware of certain problems that only an inspector can locate. An inspection is useful in that the inspector can tell you what repairs must/should be done prior to the sale. The inspector can tell you if there is roof damage, or perhaps if there are termites that need to be taken care of. It is in your interest to complete repairs that must be done prior to the sale, instead of being surprised at a future point.

Reset

CHAPTER 10

Small Improvements Can Gain You Thousands

The housing market is more competitive price-wise than it has ever been. It's on the seller to go the extra mile and make sure their house stands out. We will now discuss the extra steps necessary for you to earn more money on the sale of your inherited house. These are proven methods to raise the price of your home.

There are steps to improve your property and make it more welcoming to your audience during a drive-by or walk-through. This discussion of “staging” and these other strategies are backed by statistics that prove how important these extra steps can be.

These steps will affect the house’s online presence as well. It seems paradoxical that even though there are so many mediums and platforms where houses are advertised today it is harder than ever to stand out. That places the importance of the home’s immediate appearance on a higher level.

You can choose a professional stager or a staging company, as many of them are available in most cities. Even a property stylist is appropriate in some circumstances, since it will make your house stand out that much more.

WHAT IS “HOME STAGING”?

Home staging is the process where your (empty) home is prepared, dressed up, and presented to look extra attractive and extremely welcoming to a prospective buyer. Home staging is about creating more space by cleaning clutter, removing objects and furniture, giving rooms a fresh and neutral color, and making necessary repairs. Replacing carpets and flooring is a common practice. The process may involve professional painting, deep-cleaning, furniture rental or placement of appropriate pieces of the seller’s furnishings, and continual maintenance.

To minimize expense in home staging, you or your professional’s first step is going to be to do as much as possible with what you already have. The priciest items will probably come when making updates and repairs, inside or outside the house. Least expensive are the things the sellers are willing and able to do themselves—maximizing space by moving objects around and cleaning the house out. An important step is choosing accessories and furniture to dress up your newfound space, creating a welcoming and warm environment. Home staging makes prospective buyers see all the possibilities of purchasing the home and living in it. They need to be able to imagine their own lives taking place in each part of the home.

Money spent on staging should not be considered a waste, but should be thought of as an investment or simply the cost of doing business, and it will be recovered when the property is sold. It will pay off in the long run when the home’s perceived value is boosted.

DOES HOME STAGING WORK?

According to the available information from the Real Estate Staging Association, properties that are professionally staged look more appealing and spend less time on the market by about 75%. They are most viewed by buyers as “well-maintained” and “must-see” houses, and subsequently sell at higher prices.

When it comes to acquiring real estate, most prospective buyers think they can overlook empty rooms or poor décor and see only potential, but they really do not. The sole purpose of staging is to make it easy for prospective buyers to envision how they will live in the house. It gives an example

of the type of comfort and life that prospective buyers can have in the house without investing it with the seller's personality.

This is the main reason that successful builders have model suites and model homes. Experienced home sellers discover that the same principles from modeling a home are also useful in the resale market, and they rely on professional home stagers to make sure that they sell at a higher price and get off the market quickly.

When hunting for a house, home buyers start with a reasonable list of prospective properties, but the house they buy is often chosen mainly for emotional reasons. The aim of staging a project is to ensure that prospective buyers see the great possibilities owning the house will bring. The prospective buyer can walk into the home and have that "finally, I've gotten my dream home" feeling. Potential buyers pleased with the staging may be willing to look beyond some of their "must have" features such as a two-car garage or fireplace.

It is paramount to put minute details into consideration. Small things that you overlook such as personal memorabilia, overcrowded rooms, scratched doors, or dripping taps can disengage the buyer emotionally from the home. They will envision the problems they will have to face later, rather than the stone hearth that might tempt them, and immediately shift their attention to the next appointment while writing off your house.

The greatest motivator for someone to make an offer on your property is a connection they make with it while imagining their life there. If this can be achieved, then you may have put an end to the buyers' search for their perfect choice. Your motive is to keep them restless with the feeling that if they decide too late, someone else will buy their dream house.

IMPORTANCE OF ONLINE MARKETING

This is the online shopping age. Most prospective buyers first look online for what they want, before even employing the services of real estate agents. One survey said 90% of home buyers in the United States begin their search for houses on the internet.

Photos of the home have more influence than written descriptions over whether a prospective buyer is interested or not. When listing a house, your photos need to be captivating such that buyers become anxious to see the house in person.

SUMMARY OF CHANGES AND IMPROVEMENTS

There are numerous things to do to get your property ready for the market. One of the most important is to get rid of clutter. This may be difficult, especially if you do not see it as clutter, but be

aware that a prospective buyer will. Emotional attachment to your things should be kept low as it may keep you from realizing how cluttered your home will appear to strangers.

If your spending is done appropriately by replacing worn out items and making small improvements, you stand a better chance of selling your property more quickly and at a better price.

Here are some basic rules for proper staging of a home:

- **The house must be clean.** “Sparkling” should be the right word to use for your house. The kind of cleaning that attracts top offers is often only feasibly achievable by employing the services of a cleaning crew. It is even a sound investment to have the cleaning team come weekly to inspect for as long as your home is for sale. Your windows and more should be professionally cleaned outside and inside.
- **Repair or replace.** A cracked tile or dripping faucet will send the wrong impression to prospective buyers. Replacing them or getting them fixed before putting your house for sale is mandatory.
- **Use neutral colors.** Neutral colors sell. Conveying an image of neutrality and quality is important. Prospective buyers walk through your home imagining themselves as the owners. Odd or loud colors can turn buyers off. They won’t be able to imagine living with those colors, or will envision having to paint as part of moving in. Those sports team colors in the den will have to go!
- **Depersonalize.** Remove most objects that personalize the home to your own memories or tastes. Overt signs of political causes or religious affiliation are not going to help the sale and might even detract from the home’s appeal. This can affect a buyer’s desire to work with the seller if the seller’s views or tastes are objectionable to the buyer and subconsciously affect the buyer-seller relationship. There are emotional aspects to buying a home and you want prospective buyers to attach positive emotions to your home by making it possible for them to see themselves as the owners.
- **Critical areas.** While staging, be especially sensitive to the entrance, kitchen, bathroom, and toilet. Buyers put more emphasis on these areas.

Reset

CHAPTER 11

Marketing an Inherited Home

Boons bestowed by web technology have rendered it extremely easy to market property on multiple platforms. While most homeowners initially engage or eventually resort to an agent to sell their property, some turn to online real estate portals, online classified ads, video-sharing sites, blogs, and social networking sites.

Several sites are specially designed for property selling. In addition, sellers can utilize the capabilities of real estate companies like Trulia and Zillow that also feature mobile apps to handle the complete range of processes associated with home selling.

House buyers make broad and sophisticated use of the online market. However, their online activity significantly varies. Some are hunting for properties by locating specific brands on search engines. Others are keen to go through reviews and ratings of properties, or prefer interacting with the members of various real estate communities using social media sites. Some are also watching property tours presented through YouTube videos. Handheld devices are used to search for dream homes online. The sales scenario existing today can give the widest exposure, reach, and coverage your property could ever ask for.

Due to the diverse kinds of customer behavior online, your sales strategy must involve multiple platforms. About one-fifth of real estate searches happen on handheld devices. Over the past four years, real estate searches over Google have grown more than 253% percent. One study found that on average, shoppers make about 11 searches before acting on a real estate issue.

More than half of the actions taken on real estate brands ensue from a search engine. Many real estate sites and FSBOs have high rankings on popular search engines like Google, Bing, and Yahoo. Added advantages presented by these sites include facilities like email marketing, social media marketing, and several other marketing strategies that can help drive leads.

Research found that more than 70% of links clicked by search engine users are “organic” rather than paid. Several companies have their own social media channels to post their clients’ properties including Facebook, Twitter, LinkedIn, Pinterest, and Instagram.

USING SOCIAL MEDIA TO SELL THE HOME

Social media is one of the most prominent media outlets on which to advertise your home sales information. Studies have shown that social media conversations significantly influence property buying decisions.

The phenomenal amount of exposure that your property will get on social media is encouraging. Using social media enhances the possibility of selling your property and selling it quicker. While providing both the widest and most targeted reach possible, social media advertising is also the least expensive avenue—free!

To take best advantage of this marketing channel, create a social media page for your house using Facebook and Twitter. Both have advantages. The former is good for imagery and the latter is the best avenue to develop local networks. Make the page appealing to potential buyers with a strong cover, profile picture of the home, and details of the location in text boxes.

Great images are the key to attracting potential local buyers. Consider using a professional photographer. The amount you spend will return to you in attention earned.

Take advantage of the video possibilities on Facebook. Post a walkthrough of your home for potential buyers—a virtual showing, no travel needed. Share information about the locale, the neighborhood, and the highlights of the property.

Share your page with your friends and contacts through your Facebook and Twitter accounts and request that they share with other friends too. This can immediately open a network. If there is a local home buyer blog or website, share it there too. Post personal emails in the footer region. Once you find people searching for property in your area, you can comment on their tweets.

The most important thing is to stay interactive and respond promptly to comments from potential buyers to see that you profit from those leads.

Reset

CHAPTER 12

Using Curb Appeal to Sell Your Inherited Home for More

The landscaping, physical exterior, and facade of a home are important aspects for consideration when preparing any home for sale. This task is perhaps more difficult in the case of inherited property, as the inheriting owner may not be intimately familiar with the property. Study its “curb appeal” well the first time you drive up after taking ownership, as this is vital if you want to sell your inherited home for an appropriately profitable price. Curb appeal (the overall attractiveness of your home from the street) is the opening gambit in showing your home and has surprising sway over the amount of offers you receive.

WHY CURB APPEAL AFFECTS THE SALE

Nothing sets the tone of a relationship or transaction more than first impressions. Envision how a potential home buyer sees your house as he or she drives up to your curb for the first time. Think of curb appeal as a department store window—designed to draw you in to see what else is inside.

A potential buyer looks for signs indicating how well the home has been maintained. Neglect and disorder outside imply shabbiness inside. If the exterior has a lawn that is well-manicured and the exterior shows that maintenance is kept up to an appealing standard, it shows that the current homeowner takes pride in their property’s aesthetics. Conversely, if buyers see neglect or decay, there is a good chance they will take that sole impression away with them and go elsewhere.

As most buyers look online first to see general photos, curb appeal carries over to virtual home shoppers. Having good curb appeal and attractive photos posted within your ad will ensure that you engage buyers straight away, so they will make an appointment with you or your real estate agent to come see your home. An unattractive home photo is easier to scroll past than bother investigating further, so make sure your house looks like it’s worth clicking on.

Even if the interior of the house is kept up-to-date with repairs, has perfect plumbing and electrical work, and is decorated nicely for appeal, the exterior and curb appeal of your home will have an enormous influence on a buyer’s decision within the first minutes.

A WELCOMING WALKWAY

The pathway to your front door serves as an ambassador for the home. Make it beautiful and pleasant to look at. The walkway serves as the path to the home, and ensuring that it is as attractive as the rest of the property will gain points with buyers.

The pathway, landing, and front door should blend together to provide an appealing journey from your street or driveway to your house. For example, if the home's style is Georgian, Greek Revival, or Colonial, a straight path that goes from the sidewalk straight to door is recommended. With a straight path boring concrete can be avoided by decorating the lane with flower pots or beds. Too much will make your walkway look cluttered and disorganized, though, so keep a decent balance, keep it elegant, and do not go overboard.

Whatever you decide to do with your walkway, always ensure that there is no overgrowth around the concrete or wood. Furthermore, go easy on the decorations and lawn ornaments. A few are a cute, fun idea that helps to make gardens and walkways pop. An entire army of them is a terrible idea. Instead, keep a limit of three to five, depending on how big your walkway is and how well they blend in with flowers, rocks, trees, and other aesthetic accents.

THE FRONT DOOR

Repainting your front door is a small but powerful tool to add curb appeal. Select a color that is pretty and matches and amplifies the overall style of the exterior. A contrast between the overall facade of your home and the front door will ensure that your curb appeal is amped up. For example, if your house is white or gray and has black shutters, a red-painted front door will create a somewhat mysterious feel and bring more beauty to your home.

Having a wreath on your door, a potted plant by the entrance, or boxed planters lined up on your porch near the front door will help bring about a more positive, free-flowing atmosphere.

Ensure that the front door has a fresh coat of paint, that the knob is polished, and that any pieces that need replacing are replaced before your home is put onto the market.

Do not overlook the rear of the home. Your back door also needs attention. For example, ensure sliding screen doors have perfect screens and function smoothly. A door that sticks or slides out during a showing is a definite faux pas.

A WELL-MANICURED LAWN

If your lawn is withering, has brownish dead areas, or is overgrown and spotted with weeds, buyers are not going to be attracted to your home. It is important to have a lawn that is well manicured and shows off just as much as the rest of your home.

A lawn that appears to be too high maintenance can be a distraction. It is best to go for a look that is neat and attractive. Have the grass regularly trimmed and nicely edged, and ensure that it is healthy. Having a simple garden somewhere around the perimeter is also a great idea. Bright colors really lighten up and bring a joyous feeling to the lawn area.

To add a special landscaping touch, throw down some mulch that is in a darker color, such as a solid, dark brown. Mulch helps to neaten things up and gives the area a clean feeling. Mulch always looks good in any setting when set down the proper way. You cannot go wrong with it, as it adds some great curb appeal!

Get rid of garden gnomes and other trinkets. Ornaments all over, especially garden gnomes, make the area look tacky, cluttered, and cheap.

BACKYARD APPEAL IS JUST AS IMPORTANT AS THE CURB

By the time a buyer gets to the backyard the decision may be somewhat influenced, but the backyard might just tip the scales. The backyard should be just as beautiful as the front yard.

Once a buyer reaches the backyard, they will envision themselves relaxing in the sun, having family and friends over, and playing with their children or their pets there. In the summer, backyards are family areas. Make sure your lawn looks good—mowed, fertilized, and watered. If the home has a pool or hot tub, uncover it for showings and make sure the water is sparkling clean.

It helps to have or add a few flowers. Do not go overboard and clutter the yard, though, as it will end up looking messy instead of pretty and elegant.

Patio furniture also helps to make a backyard feel welcoming, and will help the buyer envision themselves sitting outside with friends or family on a balmy day, having cold drinks and enjoying a conversation.

You'll want your backyard appeal to give the buyer a vision that speaks positive volumes. You want the buyer to see themselves in the backyard every summer enjoying the weather and all that life offers, so keep your backyard in top condition too, not just your curb.

YOUR DRIVE-BY APPEAL

Potential buyers will quickly drive by your home or park out front and see it for the first time. To ensure that your home has good drive-by appeal, keep your windows and front door in pristine condition.

Most sellers find a need to tend to the garage. The exterior will need to be freshened, like painting the door. When taking a quick drive past to check out a home, minor details of the house will stick out.

If your home is currently on the market, ensure that its exterior has fresh paint, the lawn is well manicured without looking too high maintenance, your windows are washed, and that you do not have any dead flowers in your garden. This is also a good time to trim or prune trees.

THE ROOF IS JUST AS IMPORTANT

Roofs are selling points, no-sale points, and bargaining chips in negotiations. Optimally, your roof is five to ten years old. Anything older or in poor condition is a major problem—buyers do not want to buy a home that is going to require such an expensive maintenance investment as roof repair right off the bat. Buyers will expect a roof over their head that is in good condition.

Bring in a roofing professional prior to listing the home who can tell you exactly what needs to be done, such as re-shingling. They can make small improvements to enhance appearance and repair areas of neglect. Gutters, particularly box gutters on older houses, must be in good repair. Be prepared to calculate repairs in your listing price, but do not expect to get dollar-for-dollar back on roofing. Still, roof maintenance may help the home sell at a better price than it otherwise would have.

A savvy buyer will know to have the house inspected for any faults prior to a sale, so making all necessary repairs beforehand will ensure that the sales process will go faster, smoother, and without surprises.

If the seller cannot afford the costs of a new roof or maintenance, a quote can be had from a reputable roofing company. Then in sales negotiations, offer to subtract the cost of the repairs from the overall selling price. Doing so is generally convenient for both the buyer and the seller, since the buyer will be at ease knowing that they can have things repaired and upgraded at the anticipated cost.

IMPORTANT AND INEXPENSIVE STAGING REPAIRS

These may seem like minutiae or nit-picky details; however, they make a significant difference in how the buyer looks at your home. Get a welcome mat and a wreath that match the overall interior style of the home.

Security is important to home buyers. A flimsy lock or handle on the front door will make potential home buyers uncomfortable and they may not even know why. Replace a worn or loose entry handset. Consider replacing the door handle with a heavy-duty deadbolt and knob combination. This

investment of less than \$100 will make your home more visibly secure—and everyone wants to be secure in their home. Improve the front door’s hardware. Use metal polish on the fixtures of the doors, on the knob, and for all metal components on it.

The buyer may not stick with your style, but this will help to give a more home-like feel to the house and ensure that they can properly envision living there.

Replacing outdoor light fixtures is also important when it comes time to sell. Update outdated light fixtures, as those accessories reflect on the exterior of your home. Buyers want to see that everything is fresh and up-to-date with the times, and not deal with light fixtures that look like they’ve been around since the 1980s. You can and should look for fixtures that match whatever mounting system you currently have installed on the exterior of your home, though, so it will only be a replacement job instead of a completely new installation.

Bring in more outdoor light, especially if your home is away from streetlights or appears too dark at night. This helps make a huge impact when it comes to curb appeal, and provides a better sense of security.

Solar stake lights are inexpensive and available from home improvement stores. Lighting the exterior of your vacant house is wise as a genuine security improvement just as much as it is good for the feeling of security: there is less chance that someone is going to want to break into a home with a well-lit exterior.

Reset

CHAPTER 13

The Importance of Good Pictures

The pictures you take or have taken of your inherited property will play a leading role in making a sale. Great pictures set your offering above other homeowners battling for the same buyers. Which seller would you trust more from the get-go? The one who posts casual pictures that capture dishes in the sink or a sock in the corner, or the one who gives the impression of a pristine lifestyle? After all, you are asking these people to make your house their home.

You can build up the buyer’s confidence in the quality of your for-sale home by putting in some extra effort. Those who put in the effort reap the rewards.

Need ideas? Consider these tips:

Pretend that you are shooting for a magazine. It starts with cleaning, cleaning, cleaning! Get rid of the clutter, move out old and ugly furniture, and hide personal belongings. You don't want family photos, laundry, or the old torn lounge chair online for buyers to see.

- **Shelter pets.** This is important. Even if you're the most meticulous pet owner in the world, advertising to potential buyers that you have birds in a cage, a free roaming guinea pig, or a bedroom dedicated to a family of rare Siamese cats is going to scare people away. Pets create odors that stick around, and since you'll be working hard to make this odor disappear, you want to avoid bringing any attention to these critters. Don't only hide them from the photos; find another place to shelter them during the home marketing period if you want the most successful sale.
- **Add sprinkles on top.** A few home accessories with colors that pop will go a long way. A multi-colored comforter on a bed is a good touch, as is colorful artwork.
- **Go green.** Place a healthy green plant or a vase of colorful flowers strategically in each room.
- **Light it up.** Are your pictures dark or washed out? Not enough light from the windows? Add some lighting to bring them up a level. Bright LED lamps off-camera or in the corners can add the touch you need.
- **Hire a stager.** If you don't want to go through the effort on your own, you can hire a professional stager who can come in to rearrange the furniture or bring in accessories or extra pieces of furniture. When you are interviewing stagers for the job, make sure to check their per room rates. You may decide to only photograph certain rooms in the house, but you'll win bigger with more pictures.
- **Hire a photographer.** Although you can take great pictures on your own without a very expensive camera, you might consider having a pro do the work. This can give you an even greater advantage over other sellers by helping to increase the perceived value of your home.

PHOTOS OF THE OUTSIDE

Potential buyers want to see both the inside and the outside in any online listing or property website that you choose to use. If you're going to show them, show them right!

Before taking pictures, take these important steps:

- **Cut that grass.** Whether you do it yourself or support your neighborhood professional, give your lawn a clean, close cut. Get rid of some tension with your weed-whacker by obliterating those stubborn weeds and extra strands of grass along the edges of pathways, around the base of the house, and right up next to the trees.
- **Trim the hedges.** If there is one thing that helps create the look of an abandoned hideout, it's a runaway row of hedges. You can save the day with a quick trim to make sure that the bushes are nice and even, adding another spark of life to the outside.
- **Colorful landscaping.** Plant a variety of colorful flowers and lay some red cedar chips. If you would like to provide a night photo for effect, consider adding some LED path lights.

- **Give it a bath.** Shine the windows, hose down the house, and clean the gutters. Sweep the pathways and driveway. You don't want pictures of water-stained windows and cobwebs around your doorways.

Take strategic photos from angles that really show off your home. Following the above tips should make this easier because you won't be trying to keep the grass or bushes out of frame.

DRONES

In the past, you would have needed to pay an expensive fee to a pilot for the use of a private plane or helicopter. Now, you can make it happen affordably with drones.

Drones have a variety of uses. One of these is to show off the high value of your home to potential buyers. As regulation continues to shape the future of drones and their legal use by civilians, you can still stay ahead of the crowd by hiring a licensed drone photographer or getting the license to fly one yourself.

Why does drone photography give you an advantage over other sellers?

- **Provides a big picture view.** You can give potential buyers a complete view of your property with an aerial photograph or video. This is something that most home owners never see for themselves no matter how many years they have been in their homes. The house, the yard, the distance from neighbors—this can be a valuable shot.
- **Shows the road home.** If you choose to have the drone capture video footage, you can take the potential buyers on a ride up the street to your home and even pull up into the driveway and walk them to the front door.

Whether doing it yourself or hiring an experienced professional, make sure to draw up a plan. Map out the route, plan the time of day, and be prepared to take multiple photographs or video shots to give yourself options. Do you want to benefit from the lighting effects of sunrise or sunset? Do you want to catch the school bus route? Do you want to include wildlife around your property, such as deer or birds? Planning the details will help your drone project move smoothly and provide a valuable finished product.

VIDEO WALK-THROUGH

Being able to take a walk-through of a potential future home without having to leave their own house is a buyer's dream. You could use a drone or a camera, but either way, taking potential buyers on a walk through their future home might be the motivation they need to further explore the purchase and sign the contract.

How many entrances do you have to your home? Consider starting a separate video from each door and walking through the home to give the viewers multiple perspectives. The more you can give, the more value you will create, the more offers you will receive, and the more quickly you will make the sale.

To take it up another notch, consider making it a guided tour by either having someone walk in front of the camera while explaining each room or by supplying a voice-over. If not you, there may be someone you know—such as your real estate agent—to do this.

If you save a long-distance potential buyer the cost of a plane trip, you have already won in their eyes.

Reset

CHAPTER 14

The Process of Selling Inherited Homes

Dealing with the passing of a loved one—especially a mother or father—is a long-term process, which is made even more complicated when it also involves the sale of the “family home.” Whether the loved one’s passing is expected or not, the turmoil involved in grieving while also handling a major business transaction is incredibly stressful. Here are a few guidelines that may assist through the course of the transaction if you want to sell an inherited property.

VERIFY THE TITLE STATUS OF THE HOUSE

The process of selling an inherited piece of real estate is complex and the first step is usually to verify that your deceased loved one was in fact the property owner. The best advice is to seek the aid of professional lawyers and real estate agents. Hire a real estate lawyer to check the legal status of the house. Obtain legal verification that the person you inherited from was the owner of the house and that there are no claims, liens, or defects regarding the title.

PROBATE COURT AND CREDITORS

Once you have confirmed the legal ownership of the property, it may need to pass through probate court, depending on its value. The American Bar Association states that “probate is the formal legal process that gives recognition to a will and appoints the executor or personal representative who will administer the estate and distribute assets to the intended beneficiaries.” Laws in each state vary, so it is a good idea to consult an attorney to determine whether a probate proceeding is necessary, whether the fiduciary must be bonded (a requirement that is often waived in the will), and what reports must be prepared. Most probate proceedings are neither expensive nor prolonged, which is contrary to the claims of many vendors selling living trust services and other products.

CREDITOR'S CLAIMS PROCESS

States have differing laws on probate, including satisfaction of estate creditors. The executor or administrator is to notify creditors that the deceased has died so that creditors can have a chance to make claims against the estate. The requirements for this notice vary by state. The personal representative may have to send letters directly to creditors and/or publish public notices.

State law will dictate the procedure that creditors must follow to collect from the estate. For example, creditors must often file a claim in probate court or with the executor within a certain period after they receive the notice.

According to FreeAdvice® Legal, once the administrator has determined how many valid claims there are against the estate, he or she must see if there are enough assets to pay these debts. If there aren't enough assets to cover the debts, the estate is said to be insolvent. Each state has laws about how property is to be distributed in an insolvent estate. For example, federal and estate taxes may be paid first, followed by probate expenses, funeral and last illness costs, and general creditors. If an estate is insolvent, the beneficiaries will get nothing, even if a will leaves them specific property or specified sums of money. Beneficiaries can only receive assets in probate if there are enough assets left over after all legitimate debts have been paid.

INVESTIGATE THE MARKET

The next thing to do is to review the market. Examine and record the listing and selling prices for comparable homes in the same neighborhood as the inherited property. If you want to sell your home quickly, list the property below the market price. If your home is in poor condition, try to sell it to investors rather than mainstream buyers.

TALK WITH BIDDERS AND MAKE THE SALE

The final step is to talk to possible real estate buyers. To sell a property quickly, be flexible with the sale price. However, having said that, you should have a set minimum sale price for the house from which you do not deviate.

Emotions run higher when it comes to selling real estate that was included as part of an inheritance. You need to be carefully advised about the worth of liquidating your loved one's assets as a way of putting the death behind you.

Inheriting a house can be a bittersweet experience. We may be mourning the loved one who has passed away, and in addition we start mourning our sanity in the midst of family fights. Many disagreements can come up on the topic of how to sell a house. Families have broken up over this issue, creating rifts that do not heal for years, if at all.

It seems that everybody has an opinion. These days, economic times are stressful enough without adding more stress. However, when a house must be sold after a death, the process can generate even more stress for everyone in this difficult time.

At the risk of sounding morbid, the best time to think about how to sell a house is before it becomes necessary to do so. Although it's not pleasant to think about, considering your sale long before you inherit a house can set the course to move forward whenever the time arrives.

Siblings can become uncooperative in the process because they are offended by the idea of planning ahead for someone's death, even though it makes sense and shows mature and responsible asset management. Prepare in advance and keep your preparations to yourself if need be, especially if you expect others to have issues with your plans. Take notes when you speak with lawyers and other professionals to get the most out of their advice and suggestions for a smooth sale when there are related sellers.

We all have our sphere of influence, and many people know real estate agents and consider them to be friends. Since most of us want to do business with people we know, this will apply to our siblings as well. This is a situation that can cause a disagreement when it's time to put an inherited house on the market because each heir will want to work with people they know personally to sell a home. Counter with facts and education.

Understanding how to sell your home fast is a good idea because it can help you stay away from fees and other costs, such as the maintenance of your home, as well as paying taxes and insurance if your house remains on the market for a longer time.