Begin the new year in a new home

By Metro Creative Connection

After flatlining during the economic downturn that began around 2008, housing markets in many regions of the United States and Canada have shown signs of recovery. Those in the market to buy and sell may find this year presents an ideal opportunity to do just that.

According to the real estate listing Web site Zillow, home values rose 5.1 percent across the United States between February 2012 and February 2013. The latest forecasts from Canada Mortage and Housing Corporation indicate a strong housing demand into 2014, at which time a strengthened economy will energize both resale and new housing markets.

Buyers will need to be prepared to purchase inventory right away, while sellers will need to price their homes right for the best chance of sale. The following are some guidelines.

Buyers

Having a plan is essential when buying a home, as such a purchase is not something buyers should take lightly. Establishing a budget is the first step. This means taking inventory of savings, expenses and borrowing power. It is adviseable to sit down with a lender and do a run-through of what you can afford. By providing key financial information, including earning statements, existing debt and credit history, buyers can quickly learn how much they're qualified to borrow and how much they are comfortable borrowing. This helps buyers zero in on homes in their price range.

Being preapproved for a mortgage is advantageous when it comes time to make offers on properties. It shows sellers that buyers are serious and that they have been vetted by the bank.

Many buyers conduct a lot of research online prior to stepping into a home. This research lasts an average of six to eight weeks, according to the National Association of Realtors. Homework includes investigating neighborhoods and school systems, comparing the going rates of homes in the area, as well as figuring out which features are desired in a home.

It also is important to hire a buyer's agent. Such professionals send buyers listings that fit their home-search parameters, which saves buyers a lot of time and effort. Some agents preview homes for their buyers, even going so far as to identify overpriced listings that can be avoided or finding sellers who are willing to negotiate.

A buyer's agent works for the buyer, meaning there will be no conflict of interest. Agents assist buyers in the negotiating process, using their knowledge of the real estate market to help buyers make realistic offers that are likely to be accepted while providing a wealth of information about housing trends, area services and home improvement vendors.

When sellers accept buyers' offers, buyers must then arrange home inspections. An inspection is oftentimes included as a contract contingency, and buyers have a right to cancel contracts if inspections find that a home is unsatisfactory structurally.

Sellers

Sellers competing for business in a thriving housing market also have to do their share of work. It is unlikely sellers will be able to list their homes for sale one day and have dozens of offers the next. Today's buyers are much more conservative, and homes will have to be presented in the best light and listed at reasonable prices.

Sellers can start the process of selling their homes by researching recently sold homes in their neighborhoods, paying particular attention to final sales prices. This information may be available through tax records, and some real estate sites publish the data online. Sellers can then compare this information to what they still owe on their mortgages if their homes are not paid off, and this should give sellers an idea of their potential profits.

Sellers also can benefit from working with real estate agents, as it can be quite difficult and stressful for homeowners to sell their homes on their own. Agents have access to multiple listing databases and industry contacts, information that is quite valuable when selling a home.

Agent will do their own assessments of a home to help sellers price the home accordingly based on market conditions. In addition, real estate agents can inform sellers about which, if any, repairs or changes may need to be made to make a home more attractive to prospective buyers.

Real estate agents also help sellers through the negotiating process, finding a balance between what the buyer wants to pay and how much the seller wants for the home.

Housing markets are once again looking up. As the new year arrives, many people may find now is the time find their next homes.

Understanding the process and getting guidance from real estate professionals makes the process of buying and selling a home that much easier.