

# Your Heights Home

By HollyDurfee

Welcome once again to our monthly column on topics relevant to home ownership in our neighborhood. It is hoped that this column will generate topics from you; specific to home ownership and home investing. My name is Holly Durfee and I will attempt to answer your inquiries in a question and answer format.

**Dear Holly – We are hoping to move within the next year, we are pretty well focused on where we want to go. We just don't know what order to do it in. Do we sell this home first or do we try to buy the next home first? What is the best order of events? Jimmy S.**

Dear Jimmy S. – Wishful thinking has you buy the second house first. Either with cash you have saved or obtained by refinancing house #1, or by putting a first mortgage on the new property. Move into the new house, clean up the old house and then put the old house on the market. Unfortunately, reality dictates that most of us need to sell house #1 to use the proceeds to buy house #2. So, get your home ready for sale, list the house and then start looking. If you find house #2 right away, motivation will soar and empower you for the next hurdle. Which is that most sellers in this market are not really excited about taking a contract contingent upon the sale of your home. Ask yourself, would you be? If your home is already listed & being shown than you have a better chance of arguing your case to a seller as to your motivation to get rid of #1 and your burning desire to own #2. You are on more shaky ground when house #1 is not even listed. You have to understand that you are asking complete strangers to gamble with their largest asset. Some seller's will just say "no thanks". But with so few buyers in this market, there is another possibility to consider. It is called a 'right of first refusal' that the seller can extend to a buyer. The seller & buyer sign a contract but it is understood that the seller can continue to market his home and if buyer #2 shows up the seller then asks buyer #1 if he will drop the contingency to sell his home. If the buyer's home has gone under contract by that date and he feels good about the contract, he may drop the contingency, if he can't, he usually has to let the seller go. A 'first right of refusal clause' can often work out because: the first buyer is often the best buyer; he may pay more because he is buying time to perform; he is twice as motivated to sell his home as he was before; he often is much more cooperative than one without "baggage". There are many different details to the negotiations concerning time limits & deposits. But when two parties want the same thing, it usually happens.

This brings us to the place where your deal could hinge on 3 properties closing on or about the same day. Is it stressful? Yes. Does it get the job done in uncertain times? Yes again!

**Market Update** – Neighborhood sale prices have started drifting down. Hardly a crash, more like a correction. The lack of buyers has been our chief problem. More buyers would mean more offers and at least we could get a conversation going! Since some of the new buyers are looking at \$4-5000 tax bills and \$ 3-5000 insurance bills, you can't blame them for being shy. And in confirmation of the adage 'it's always about the money', most of the properties that have sold recently have been the less expensive homes.

If you were staying in town and hoping to move up to The Shores, Paseos or The Farms be comforted, their prices have also adjusted downward. It is not always so obvious in their asking prices but if they want to close they are going to have to adapt to this new market. Northern markets have slowed also so transplants do not have the cash that they would have had in previous years. A quiet storm season, insurance & tax reform are all needed for the next market surge to occur. Without those ingredients, we are stumbling around with too much inventory. When inventory starts to move, new price points will be established for our homes and we will be able to negotiate on solid ground. One thing we can be thankful for is that our area has not been hugely overbuilt. The slow metering out of new construction properties has not overwhelmed the markets. Also... it is very hard for a builder to make money on a single family home in our price ranges.

***Holly M. Durfee is a real estate salesperson at RE/MAX Jupiter-Tequesta. She is a member of the Board of Directors of the Jupiter-Tequesta-Hobe Sound Association of Realtors, Inc. and has earned her CRS (Council of Residential Specialists) and GRI (Graduate Realtor Institute) designations. She has been a resident of North Palm Beach Heights since 2001. You can contact her at: [hollymdurfee@aol.com](mailto:hollymdurfee@aol.com)***