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Buyer Has Problem with the HIT

Laura has a problem: She has a seller who really wants to move up but can't get past the hit they're taking on the sale price of their home. *"They're buying up in price. They want more rooms, square footage. They just had one baby, and they might have another. I need your help!"*

Answer:

Here is the thought. They move from an \$800,000 home that has had a 20% hit. Sorry, they had to lose \$160,000, but you have good news for them! They're still ahead of where they would have been when their first property was really worth \$800,000.00.

Why? Because new \$1,500,000 home they'd like to purchase has dropped at a larger percentage and, higher end properties have had even less activity. This new home has had a 25% discount. This provides them with a \$375,000 discount on their dream home! All in all, they're still \$215,000 ahead over the same position in 2006. Do you see where you want to take this?

However, there is one more concern that I have. We have a government that is spending more than ever before in history. They are spending money that they do not have. We all know printing money and borrowing money puts pressure on interest rates. They will now have a larger mortgage than they do currently.

But, think about it, by moving now and getting that large discount on their new larger home, this will provide yet another benefit. They will be tying down a new, low, fixed - rate interest loan that will provide safety in a rising interest rate market like that of the Carter administration – an administration that had the same economic stimulus approach! This time however, the rates have never been this low since before 1960!