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## Pre-Listing Inspections

Imagine what happens when there is not a pre-listing inspection. The buyer contracts for the home with a provision for professional home inspection. When it is made, there could be things that the buyer didn't expect or even, anticipate. If it doesn't trigger an action to terminate the contract, the buyer will inevitably, ask the seller to make all the repairs.

When presented with the buyer's request, the seller may take the opposite position of not wanting to do any of the repairs. The buyer could accept the property in its "as is" condition or negotiate the repairs or a reduced price with the seller.

Any experienced agent can tell you that sometimes a mutually agreed negotiation is reached and other times, an impasse is met that cannot be resolved. The contract is terminated, and the house has to go back on the market but this time, a disclosure has to be made to all parties looking at the home which may deter showings.

Taking a proactive approach, by obtaining a pre-listing inspection, the seller can find out about things that will probably show up in a buyer's inspection. They can get them repaired before the home is shown and it will help the buyer feel more confident with the home.



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## 2021 Outlook

*Some of these points need to be made and most of you are probably already aware of them.*

- 1) **Continuing Low Inventory** will mark another great year for Sellers. Property appreciation surged to its highest level since 2014 which enables homeowners to build more wealth, with record low interest rates.
- 2) **The rebound is real.** While the pandemic may have slowed or changed our normal real estate activities, we will see the millennials, who stayed at home and saved money, hit the market earlier than predicted to take advantage of the historic low interest rates.
- 3) **Oregon ranks #3** in the Nation for incoming transfers according to Allied Van Lines. This will add to the on-going demand for housing needs. As we've discovered in the past year, you don't necessarily need to live where you work, if you can do so remotely.
- 4) **BOTTOM LINE:** We don't think there will be a slow down in sales any time soon.

## Take-Aways From 2020

- 1) If you have secure employment, this could be a **perfect time for you to buy.**
- 2) **Do you have enough space?** As the pendulum swings from formal rooms to great rooms, from tiny houses to special retreats, we now see the trend of larger homes with extra rooms as a popular search. This offers his/her office spaces, study locations and even in-home gyms, as the new normal following 2020. Also, multi-generational housing and extra rental income is attractive.
- 3) This could be the perfect year to **upgrade your home** if you haven't done it already. Either expand or renovate it to meet this future demand.



## Projects to Consider



**Kitchen Islands:** Add more storage and counter space, which most kitchens can use. It is the gathering spot and can have many amenities (sink, wine storage, book shelving, etc.). Just be sure there is room to add one without making the kitchen feel confining.

**Outdoor Features:** There is a number of ideas for this category which could include a front porch, great outdoor viewpoints/garden areas and, of course, any outdoor kitchen features you can incorporate.

**Updated Bathrooms:** Tile finishes, light and plumbing fixtures, a fresh coat of paint or new towel bars all are great ideas. Stay neutral, using accents of color in your towels and accessories can give you an opportunity to refresh the look and improve your mood.

**Pack First Properties** can offer suggestions on improvements you are considering and also on pricing your home for sale. We welcome your referrals and are excited to see what your 2021 looks like!

## Investment Series: Part 1



### 4 Reasons to Buy Investment Real Estate (rentals)

One way to achieve financial security is to develop a portfolio of rental property over years that become free and clear and provide a rental income for your retirement. Rentals generate financial advantages in four ways:

- 1) **Income:** if rent exceeds the mortgage payment
- 2) **Appreciation:** as the property may increase in value
- 3) **Equity:** increases as the loan balance is paid down by the rent
- 4) **Tax Advantages:** depreciation, property tax and mortgage interest deductions.

The primary reason to own a rental is to earn income. When looking at the numbers, the best prospect is to have a break-even, or positive net cashflow: where the monthly rent is equal to, or more, than the monthly expenses. Remember to include the mortgage payment, all escrow amounts for property tax and hazard insurance, HOA, and utilities that the landlord (you) will pay, as well as any property management fees. The rent amount is determined by the market, location, and condition of the rental. For example, a 3 bedroom home, with a fresh remodel, in a good school district, close to amenities will rent for more. Insure your mortgage payment can be supported by the rent you will charge. With home values rising today, a break-even can be achieved, but it may require a higher down payment, meaning a lower mortgage amount, and lower payments.

#### What to know:

- Mortgage lenders may charge a higher interest rate for investment properties than for a primary residence, require 20-25% down payment, and may require "reserves" of 2-3 months mortgage payments.
- Hazard Insurance is more affordable when you require renter insurance from you tenants.
- Pack First can recommend a good lender and offers property management services.

Over the next few newsletters, we will discuss each of these advantages in more depth. Give us a call to get started on this exciting path to financial security.

**FOR RENT**  
Contact Eldin Lougee @ 503.807.4668



### 7671 NW Buckthorn Way, Portland 97229 \$2,195/mo

Great Bethany Location. 3 bedroom, 2.1 bath home with bonus room. Large Gourmet kitchen with island. Granite counters, stainless steel appliances. Open concept. Laundry on upper floor. Hardwood floor on living level. High efficiency heat pump and tankless water heater. 2 car garage. Near park and play structure. Great schools. Landscape maintenance included. **Available April 1.**

## Real Estate Highlights

**Below are the 12 month appreciation figures for your area during December 2019 to December 2020.**

N Portland	5.6%	Gresham/Troutdale	5.9%
NE Portland	6.4%	Milwaukie/Clackamas	8.9%
SE Portland	9.4%	Oregon City/Canby	7.6%
W Portland	5.2%	Lake Oswego/West Linn	11.4%
Mt. Hood	12.2%	NW Washington Co.	6.9%
Beaverton/Aloha	5.9%	Hillsboro/Forest Grove	5.1%
Tigard/Wilsonville	11.3%	Columbia County	12.5%
		Yamhill County	12.2%



This insert is provided to you, compliments of Pack First Properties, in an effort to help those with student loans look at the possibility of refinancing those loans to their lowest possible point.



"Pack" first, you'll soon be *Moving!*

Are you planning to sell?  
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for a **FREE MARKET EVALUATION!**