

The Story of Three Little Houses



1. The Red Roof House is for sale for \$500,000. The Seller is stubborn and will not negotiate on price or closing costs. If a buyer today with a 5.5% fixed rate and 20% down payment decides to buy this house for \$500,000 their principal and interest payment would be approximately \$2,752 per month.

2. The Green Roof House is for sale for \$500,000. The Seller does not understand closing costs and does not think they should pay them. However, they really want to sell soon and are willing to lower their price by 5% or \$25,000. If a buyer today with a 5.5% fixed rate and 20% down payment decides to buy this house for \$475,000 their principal and interest payment would be approximately \$2,614 per month.

3. The Blue Roof House is for sale for \$500,000. The Seller has been educated on the unique attributes of this current economy. They want their house to sell for their price and are willing to negotiate for the best path forward. They decide to offer \$13,500 toward closing costs to buy down the Buyer's mortgage rate by 1%, from 5.5% fixed for 30 years to 4.5% fixed for 30 years. If a buyer today with a 4.5% fixed rate and 20% down payment decides to buy this house for \$500,000 their principal and interest payment would be approximately \$2,531 per month.

Red Roof House has not sold yet, and might be on the market a while. **Green Roof House** gave away more money. **Blue Roof House** was a better deal for the Buyer and the Seller. Due to the marketing for Blue Roof House many more buyers came to see it, too.

Choose your real estate advisor carefully. If you are a Seller, the right advisor can position you to make more money even when offering the Buyer a better deal. If you are a Buyer, the right advisor can find or negotiate the best deal for you even if you have to pay a little more for the house. The best deal is not always the lowest price. Call us anytime to set up an appointment to make a plan.

We understand this market!