

5 Reasons You Should Consider Selling Now

by The KCM Crew



If you plan on moving anytime in 2011, you should strongly consider selling your house now rather than waiting. Here are five reasons why:

The spring, and particularly the month of May, is when most buyers enter the real estate market. This surge of buyers dramatically increases the exposure for your house. The best chance of getting quality offers (perhaps even multiple offers) is **RIGHT NOW!**

The good news is that the number of people paying their mortgage on time is increasing. This will lead to less distressed property sales later this year and throughout 2012. The not-so-good news is that there is still a large inventory of existing foreclosures and short sales that will still be coming to market.

As an example, **LPS** reported in their latest [Mortgage Monitor](#) that:

- There are still twice as many loans going 90+ days delinquent as are starting foreclosure
 - There are almost three times the number of foreclosure starts as there are foreclosure sales
 - Distressed property inventory levels are almost 45 times the rate of monthly foreclosure sales
- This means that there is a backlog of properties which will start coming to the market in about 90 days as banks clear up their paperwork challenges. These properties sell at dramatic discounts. They will be your competition. Both Fannie Mae and Freddie Mac have recently discussed the magnitude of this challenge.

Interest rates have stabilized recently. However, in the last six months, interest rates have climbed over 1/2%. Every time the rates increase 1/4%, approximately 250,000 buyers are eliminated from qualifying for a mortgage. In an environment of volatile rates, waiting could mean that there will be fewer buyers eligible to purchase your house. It also could mean that you will pay a higher rate on the next home you buy.

Besides increasing rates, there are other factors that will hinder a buyer's ability to qualify for a mortgage as we move forward. Lending standards have been getting tighter over the last year. And as the government debates the new proposed guidelines ([ORM](#)), banks are gearing up for even more stringent standards.

Morgan Stanley recently [stated](#):

"Recent developments in issues such as GSE reform, Dodd-Frank securitization rules, and foreclosure settlement issues suggest a tighter and more expensive environment for mortgage credit."

This may impact any potential purchaser for your property and may also impact your next purchase.

Probably the most important reason to sell is so you can get on with your life. You placed your home on the market for a reason. Do not allow a less-than-stellar housing market prevent you from reaching your goals as an individual or as a family. Think about the reasons you decided to move in the first place. Are these reasons still important to you? If you have to take less than you were originally hoping to get for your house, your family has a question to ask each other: Is the dollar difference in sales price worth putting off our plans? Only you and your family know the answer to that question.

If you plan to sell this year, the reasons above prove that selling now makes more sense than waiting to later in the year. Sit with a real estate professional in your area today to fully understand your best option.