

This column highlights promotions, transfers, hirings, awards won and other key personnel moves within the suburban real estate community. Send a brief biographical summary — including the towns of residence and employment and a black-and-white photo, if desired — to: Movers & Shakers, Observer & Eccentric Newspapers, 36251 Schoolcraft, Livonia 48150. Our fax number is (313) 591-7279.

### Loughman gets LTG



Amy Loughman, affiliated with Clarkston Real Estate Services in that community, has received the professional designation Leadership Training Graduate from the Women's Council of Realtors.

### Scigaj hired

Danna Scigaj has been named marketing development manager for retail branch operations by Source One Mortgage Services Corp. Scigaj, who works out of the main office in Farmington Hills, joins Source One after serving as mutual fund marketing coordinator for Honey & Co. and Dean Witter Reynolds. She began her professional career at Standard Federal Bank after receiving a bachelor's degree in business administration and finance from Walsh College. Source One originates and services conventional, FHA and VA residential mortgages.

### Fujimori receives CRS

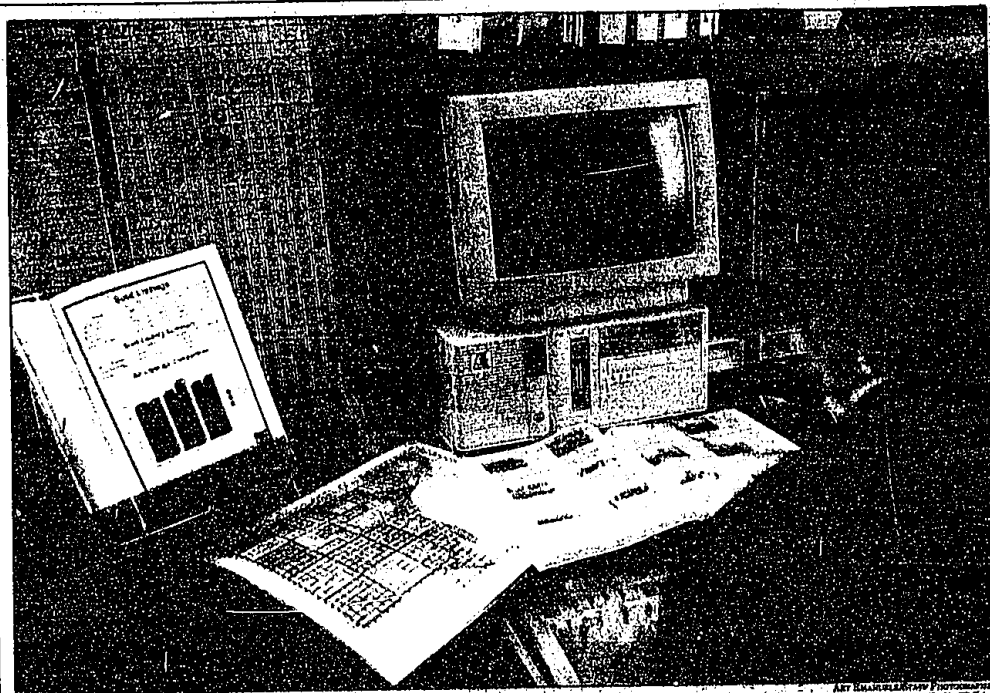
Yoshiko Fujimori, a sales associate with Century 21 Row in Livonia, has been awarded the Certified Residential Specialist designation by the Residential Sales Council of the Realtors National Marketing Institute. Fujimori is a member of the Western Wayne South Oakland County Association of Realtors.

### Barker joins bank

Bethany L. Barker has joined Republic Bank as human resources manager where she will direct all recruiting, training, employee relations and salary and benefits administration. Barker has a bachelor of arts degree from the University of Michigan and is a member of the Society for Human Resources Management and the Human Resources Association of Mid-Michigan. Republic, with 103 offices in 20 states, closed some \$2 billion in mortgage loans last year representing 25,000 individual houses.

# REAL ESTATE

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Telling numbers: Sales of comparable houses in a neighborhood and current mortgage rates help determine specific listing prices.

## Many factors affect house's price

By Doug Funk

Pricing a house for sale isn't an exact science.

And the longer people have lived in the same house, the more out of touch they tend to be with prices.

They sometimes expect to recoup every penny out of an improvement. They put a value on memories that prospective buyers don't share.

At the other end of the spectrum is people who recall their purchase price but forget about inflationary increases in value over time.

Neighbors aren't always truthful in casual conversation about home much money they get when they sell a house.

A Redford homeowner appeared before the local board of review several years ago to protest the assessed value of his property based on what his neighbor had told him he got when selling.

The homeowner was stunned into silence when records indicated the actual selling price of the neighbor's house was substantially higher than what he had been told.

Most agents, apparently, won't establish the listing price.

"All the education we are getting now is don't be suckered into giving a price," said Mary Ann McBroom, an agent with Chamberlain Realtors in Birmingham.

Michael Judge, an agent with Real

**Houses fairly priced generally sell quicker. But what is a fair asking price and how is one derived? Several elements enter the mix.**

Estate One in Livonia, agrees.

"I bring market information and how to interpret it so you can make a good decision," he said.

Julie Herman, an agent with Max Brook in Birmingham, will present a price range using prices from sales of comparable houses and ratios of sales prices to the tax assessor's opinion of the property's value.

"If you give them information required to properly and effectively sell homes, that brings sellers into the marketing process and they feel part of the sale," she said.

Establishing the price also puts agents in a no-win situation. They're blamed if they don't get it, and they're assailed for underpricing if they get it too soon.

"Most people have a pretty realistic idea of what they can get," said Elizabeth Chuba, owner of Remerica Homestown One in Plymouth.

"The biggest downfall is people that can't sell their houses for as much as they need to buy their next house. That's really common. They buy a house for \$220,000 and they need to sell for \$170,000 when the market is only \$150,000," Chuba said.

So how best to arrive at a listing price?

The base is sales of comparable houses within a mile radius during the past year. Most agents can put their hands on those numbers.

Other factors need to be considered:

- physical location within the subdivision
- number of houses for sale nearby,
- condition of a specific house
- age of the roof
- age of mechanical parts such as the furnace

It also matters how quickly sellers want to sell. The quicker the need to relocate, the lower the price, maybe,

to attract more buyers immediately.

Current mortgage interest rates also play a role. Higher rates affect the entire chain, limiting the pool of prospective buyers at different levels.

In a seller's market, with more buyers than houses available for sale, some agents have no problem with pumping up the listing price a bit to leave room for negotiation.

Other agents don't ever like adding cream to the top for fear of chasing away prospects early in the process who may never return.

Using the State Equalized Value on file for tax purposes isn't always a good barometer of current sales prices.

The SEV can lag behind current market conditions by several months, and sometimes is adjusted annually by a numerical factor rather than actual sales.

"You have to know the marketplace, how hot things are," McBroom said. "You have to educate the seller on what's going on."

"You're there every day. They're not. We all kind of specialize in little pockets," she added.

"What's happening in Birmingham might not be happening in Troy or West Bloomfield."

Judge summarized best:

"What's worse than an over-priced house? Nothing. It isn't going to go anywhere. It's a waste of everyone's time and energy."

**Classified A-Under**

## Tax bite may depend on your age when house is sold

### REAL ESTATE QUERIES



ROBERT M. MEISNER

defer the entire gain. This, of course, only applies to your principal residence and not to a vacation or second home, which does not qualify for the postmortem. Also, if either you or your spouse is age 65 or

older when you sell a principal residence, you can exclude up to \$125,000 of profit as long as neither of you has exercised this option in the past. If you are married and filing separately, the amount you may exclude is \$62,500. To qualify for the exclusion, you must have owned and lived in the house as your principal residence for at least three of the last five years preceding the date of the sale. You can take the \$125,000 exclusion only once in a lifetime, so it is important to use it wisely.

Q. I am thinking about buying a condominium in northern Virginia and am wondering whether their condominium statute is similar to that of Michigan, where I own a condominium now, and whether or not you can give me any sense of the market conditions in Virginia regarding real estate as a whole.

A. The Virginia condominium act is very similar to the Michigan Condominium Act in a number of

respects. However, there has been an extensive amount of litigation in Virginia because of the sheer number of condominium projects located there, and you are best advised to consult a local lawyer in Virginia who is experienced in condominium law. Generally the market conditions in northern Virginia are strong based upon my recent visit to the area. Condominiums remain popular, and new construction is substantial, although there may be some overbuilding in that area.

Robert M. Meisner is a Birmingham area attorney concentrating his practice in the areas of condominiums, real estate, corporate law and litigation. You are invited to submit topics which you would like to see discussed in this column, including questions about condominiums, by writing Robert M. Meisner, 30200 Telegraph Road, Suite 467, Bingham Farms, Michigan 48025.

This column provides general information and should not be construed as legal opinion.