

REAL ESTATE

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- SCHOOL DISTRICT SERVICING NEIGHBORHOOD (WHERE EXACTLY ARE BUILDINGS, BUS PICKUP)
- AGE OF MAJOR MECHANICAL/STRUCTURAL COMPONENTS (FURNACE, HOT WATER HEATER, SINKS, ETC.)
- APPLIANCES INCLUDED?
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- CONDITION OF NEIGHBORING PROPERTIES

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New Buffalo area is thriving, dynamic

REAL ESTATE QUERIES



ROBERT M. MEISNER

I am from out of state and am concerned about investing in that area.

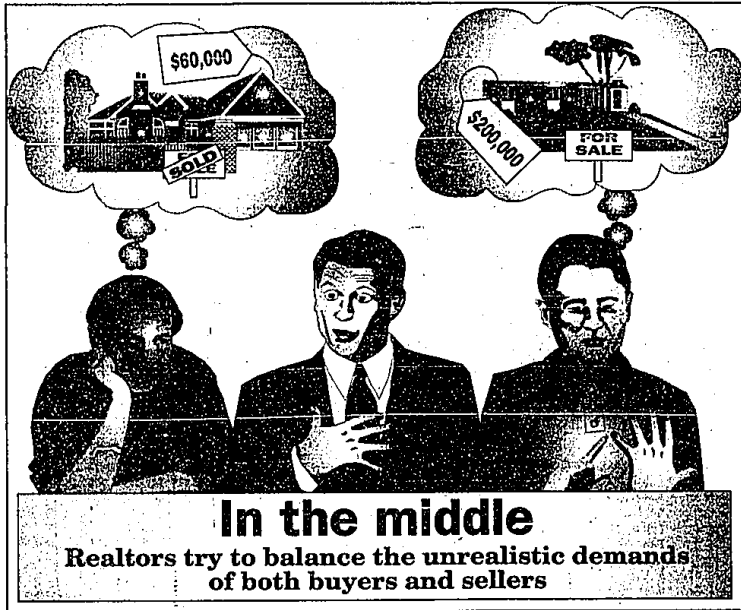
A. In attempting to answer your question, I have recently visited New Buffalo. As a result of that trip, I have learned that it is both thriving and dynamic in terms of its waterfront development.

There are a substantial number of condominiums being constructed in addition to a substantial number already built and sold and there is also talk of opening up casino gambling in the area.

As in any other situation for out of staters, it is important to understand the consequences of purchasing a condominium in Michigan, including the operational aspects of the condominium association, particularly when there are many non-resident owners frequently not on the premises.

It is important to review the condominium documents with counsel in Michigan who is best suited to both analyze the condominium documents, as well as the other aspects regarding the operational and management structure of the condominium association and its financial condition.

Robert M. Meisner is an Oakland County area attorney concentrating his practice in the areas of condominiums, real estate, corporate law and litigation. You are invited to submit topics that you would like to see discussed in this column, including questions about condominiums, by writing Robert M. Meisner, 30200-Telegraph Road, Suite 407, Bingham Farms MI 48025. His email address is Meisner@mlch.com and his web site is <http://www.meisnerlaw.com>. This column provides general information and should not be construed as legal opinion.



In the middle

Realtors try to balance the unrealistic demands of both buyers and sellers

By DOUG FUNKER
STAFF WRITER

Residential real estate transactions can be smooth or rocky.

Buyers who know where they want to live, what they want in a home and how much house they can afford before contacting a Realtor will greatly expedite the process.

Sellers who can separate emotional attachment from market value and maintain quality showing condition also will greatly expedite the process.

You would think this goes without saying. But it apparently doesn't. "I've had client sellers who may have an unrealistic goal in terms of pricing," said Diane Howard, sales associate with Real Estate One in Plymouth. "They may have been in their homes for a while and they're not in touch with market values."

"That can also work the other way," Howard said. "Buyers can only spend X-amount of dollars, but they would want more than they could buy."

There are other roadblocks besides sellers and buyers trying to squeeze each other financially due to lack of knowledge or greed.

Things like the condition of the house "Sellers get very comfortable in a house," said Tracey Toppa, a Realtor with Century 21 John Cole Realty in Redford. "It doesn't mean that a potential purchaser will look at it like they do. A lot of people can't see beyond clutter."

"I recommend when city inspections are required like Detroit and Westland don't wait until they sell to get an inspection," Toppa added. "Usually they're good for a year or two. What if repairs take a long time?"

A seller with a sentimental attachment to a house can bog down the

I asked them if they had an idea where they wanted to live. They said they had pretty much narrowed it down to somewhere between Sterling Heights and Waterford and Clarkston and Ferndale.'

John Newman
Realtor

process, said Al Girardot, a Realtor with the Prudential Great Lakes Realty in Troy.

"They'll say something like, 'I built these cabinets myself and they have to be worth blah, blah, blah,'" Girardot said. "It's extremely hard to tell them sometimes someone else may not even want them."

Girardot recalled several instances where empty-nesters still had the growth lines of their children in highly visible places that probably would mean nothing to buyers except a fix-up project.

Buyers can save time and avoid aggravation by focusing their search. John Newman, a Realtor with Max Brook in Birmingham, described a recent experience with first-time buyers.

"I asked them if they had an idea where they wanted to live. They said they had pretty much narrowed it down to somewhere between Sterling Heights and Waterford and Clarkston and Ferndale," Newman said.

"I said we can't be driving all over the countryside. Come into the office.

We're going to take a little trip on a computer," Newman said.

Buyers also should sort through needs and wants. How important really is a fireplace, first-floor laundry, two-car garage?

"If they say they need a basement, I'll ask why," Newman said. "If they're into woodworking, that makes sense. But if they need a basement because someone told them, maybe they don't. If they're 28 years old, they probably don't have a lot of stuff."

"There's confusion; sometimes, on the style of house they want and how big a house they think they have to have," Newman added.

Buyers can get a sense of what specific markets offer by visiting open houses. They can find out exactly how much they can borrow by getting a mortgage pre-approval. That's a big time-saver and shows a real commitment.

Here's a few other thing buyers and sellers can do to enter the real estate client hall of fame.

■ **Sellers** - Open rooms by storing some furniture and bulky collectibles. Thoroughly clean garages, basements and closets. Throw things out. Make sure the house is available for showing.

■ **Buyers** - Line up and price home inspection and log services before you need them. Know the source of money for the mortgage down payment and closing costs. Be available for walk-throughs.

■ **Sellers and buyers** - Carefully select a Realtor by asking family and friends for referrals. Interview prospects. Trust their advice.

Existing home prices

From National Association of Realtors

Greatest Increases	Median Sales Price 4Q '96	3-Year Change
New Orleans	\$ 89,300	+15.5%
Sioux Falls, S.D.	90,300	+13.7%
DETROIT	122,600	+12.8%
Richland/Kennonick, WA	111,000	+12.6%
Waterloo-Cedar Falls, IO	61,300	+12.5%
Portland, OR	145,800	+11.9%
Moblie, AL	83,500	+10.3%
Charleston, WV	89,200	+10.0%
Green Bay, WI	100,500	+9.5%
Houston	85,700	+9.0%
Tallahassee, FL	112,700	+8.7%
Trenton, NJ	135,800	+8.6%
Bergen-Passaic, NJ	200,200	+8.6%
Greenville-Spartanburg, SC	105,300	+8.4%
Daytona Beach	75,200	+8.4%
Toledo, OH	92,300	+8.1%
Lincoln, NB	89,500	+8.0%
Charlotte, NC	117,400	+7.9%
Eugene-Springford, OR	116,200	+7.9%

Source: U.S. Housing Markets

Key factors to selecting a mortgage lender

MORTGAGE SHOPPING



DAVID C. MULLY

A newly released survey, Citibank's Report: "Americans Talk About Home Mortgages," underscores the importance that personal relationships play in determining how consumers select a mortgage lender, how they prefer to apply for a mortgage and which additional products and services they would like to see offered by their lender.

As a consumer of mortgage services, do you see your own needs being addressed here? Are these the factors mortgage lenders should be improving on to serve you best? Let me know if you agree or disagree.

The survey, commissioned by Citicorp Mortgage Inc. and conducted by Roper Starch Worldwide Inc. in a random telephone sample of 1,012 Americans, found that 78 percent of those who responded considered a pre-existing relationship important in choosing a mortgage provider. Other methods of choosing a lender were a referral by a friend or family member (72 percent), recognition of the lender's name (65 percent), information provided in the workplace (52 percent) and a referral from a real estate broker (50 percent). Only the rate being offered scored higher (80 percent).

Interestingly, among those who say it is "very important," the survey indicated that women place greater emphasis on a pre-existing relationship with a lender than men (62 percent vs. 41 percent).

Americans prefer personal contact over new technology in the application process.

The preference for a personal relationship was also evident in the way Americans said they would prefer to apply for a mortgage. With little variance by factors such as age, gender, region, household income or education, an overwhelming majority of respondents (84 percent) said they would prefer to apply for a mortgage in person. This is surprising when loans by mail, fax or phone are becoming commonplace.

Applying by telephone was the second-most-preferred method, mentioned by 6 percent of respondents. Americans in the 44-54 age group, those planning to refinance a current mortgage in excess of \$10,000 showed a greater preference for a telephone application than the general population (10 percent, 11 percent and 12 percent, respectively).

Newer technologies such as the Internet (3 percent) and video conferencing (1 percent) still have a long way to go in winning the hearts of potential mortgage customers. Not surprisingly, those in the 18-34 age range are a little more willing to use the Internet (2 percent) than those 35 and older (2 percent).

Americans want to expand their relationships with mortgage providers.

The strength of the lender relationship was also reflected in the variety of

Phone call MULLY, 674

Computer attacks paperwork delays

Buying a new home or applying for a refinance can be slowed by waiting for a home loan. The whole process - the offer, the loan application, the credit report, the appraisal report and the paperwork - is taking place at the home buyer daily watches interest rates ebb and flow and the process often doesn't get resolved until the very last day of escrow.

"It is often said by loan originators that the choke point in processing a new mortgage or a refinance is the appraisal report - most of the other components of a new loan can be held in 24 hours or less," said Michael Schaefer, president of United Systems Software.

The process of appraising is still basically the same that it was in 1950s, but new technologies are being introduced into the field that are saving consumers days of waiting.

The appraisal process used to go something like this: An appraisal order is sent and may sit a half day or more before it is accepted by the appraiser. The appraiser schedules and completes

the home inspection, then returns to the office to complete the paperwork. First, the photos must be developed and then it can mean driving to the local photo store to develop photos in lousy weather. Then it's time to spread the photos on the desk to determine which goes with which address.

Next the paper version of the report must be prepared. This means printing and collating multiple copies of an 1- to 12-page Uniform Residential Appraisal Report. Maps must be cut out and pasted. Then photos must be glued on the maps and a property sketch must be drawn. Then flood maps and plat maps must be completed. Then, then, all the pages must be collated properly and additional copies made before the final report can get packaged and mailed.

Overnight delivery can add an extra \$10 to \$15 to the price tag; hand delivery can be expensive, too. Mailing the report may take two or three days, and faxing a 12-page, legal-size fax paper with photos is not fun. Once the appraisal report arrives at its destination,

it might be routed through as many as three people's hands before reaching the right one, and the appraiser has no proof of it being received.

Electronic data interchange eliminates these bottlenecks. Appraisals can be ordered, created and delivered electronically with modules such as United Systems' AppraisalLink.

Use of this new technology enables a loan originator to send an appraisal order to the appraiser's electronic mail box on the Internet. A copy of the order can be sent via pager, to reach the appraiser in minutes. The appraiser can acknowledge and accept this order in minutes from the field. Digitized photos are automatically inserted into the report.

An appraiser can collate, bundle, copy, package and electronically deliver an appraisal to the loan originator's e-mail, saving days in the final process and saving the consumer days of wondering how their new home fared in the appraisal process.