

RELOCATING AGAIN? UNDERSTAND THE PROCESS

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Thousands of corporate employees and their families are transferred out-of-state each year by their employers. These transfers represent a complex process, where the unknowing transferee can be disadvantaged. If the transferee does not truly understand how the process works, he or she may not be able to secure a favorable outcome.

One of the multi-facets of this relocation process is the corporation's purchase of the transferee's residence. Generally, a "buyout" is offered, which is based on the average of two appraisals, (assuming the appraised values fall within an accepted range of one another, typically 5%). If they do not, a third appraisal is ordered. Usually, the transferee is given a period of time within which he or she can accept or reject the corporation's offer. This is referred to as the "acceptance period". Typically, these acceptance periods are 60 days in length.

Another option for selling the residence is to market it directly to buyers in the traditional fashion. Usually, this includes listing the property with a real estate agent. Commonly, the transferee may choose the agent of their choice, however, after the acceptance period has expired, the corporation lists the property with a real estate agent of their choice.

Some important considerations for selling the residence to either the corporation or the traditional buyer, under the umbrella of relocation includes:

NEUTRALIZE YOUR DECORATING. Make your walls & floors are mostly light, bright and off white. Light, earth-tones sell. Purchasing a home is as much of an emotional decision as it is a logical one. Buyers respond emotionally to residences. It is factual that a buyer may be repelled from a particular residence simply and exclusively because of its personalized decorating. If you neutralize, you overcome this all-too-common objection.

REALTOR SELECTION. Select a realtor with a wealth of relocation experience. Insist on hiring a seasoned veteran in the area of relocation. This would be one who has the ability to understand the relocation process in its entirety. This agent will solve many of the complex nuances that will arise in the relocation process so you won't have to solve them yourself.

MAKE ALL NECESSARY REPAIRS. In any type of market, buyers are looking for any form of deficiency with any prospective house so as to limit possible candidates. Don't let your house be passed over in the buying process due to the need for repair. Give your residence a fair chance to sell by correcting all items in disrepair. Sometimes, this may entail you to ask an unbiased third party to inspect your house since you may be to "too close to the forest to see the trees".

APPRAISER SELECTION. Choose only appraisers with significant relocation experience. Since your "buyout" will be contingent upon an appraiser's opinion, mandate that the appraiser be extremely well-versed in relocation appraising. This is a specialization which is markedly different than mortgage appraising. The typical mortgage appraiser (for purposes of home equity loans, refinancing, and first mortgages) have not had the same specialized training as would a relocation appraiser. Simply, relocation appraisers are asked to forecast a future value, a concept not understood in non-relocation circles. Ask your realtor for a referral, and do not be afraid to interview an "off-list" appraiser if your agent recommends a specific person. Unfortunately many relocation companies do not have the top talent on their list of appraisers for the transferee to choose.

DO NOT OVERPRICE. A realistic asking price is necessary to facilitate a timely sale. The cardinal sin in selling your home is to over ambitiously set the asking price. This would often lead to an extended marketing period and, ultimately, less buyer traffic and interest in your home. Be cognizant of supply and demand in your immediate market. Ask your real estate agent to present average sales to list price ratios in this area.

Relocation is a complex process which is constantly is being re-engineered by corporations and relocation companies based on their specific client needs. Re-education in this field is required to make prudent financial decisions. Be aware of your specific corporate relocation policy and its continual changes.