

Sales Prices for Real Estate Transactions Must Be Disclosed

As of 2004, buyers and sellers of real estate in New Mexico are required to disclose the final sales price of the transaction to their county tax assessor. The disclosure needs to be made on an affidavit form approved by Property Tax Division and filed within 30 days of the recording of the deed by the person who records the deed or other conveyance.

According to the law, this information is to be kept confidential. Assessors are limited to using the information for analytical and statistical purposes in the application of appraisal methods.

While the affidavit form may vary from county to county, all forms are required to include at the least:

- names and address of the parties;
- legal description;
- full consideration; and
- the value and description of personal property that is included in

the sales price.

“Full consideration” could include seller incentives, low interest financing, deferred payment plan, and other purchase incentives. The valuation of personal property included in the sale may also require the exercise of judgment or just plain guessing.

Because the affidavit is sworn to under penalties of perjury, real estate professionals, title companies and other firms involved in the sale of real properties require that the formal filing of the disclosure be made by the buyer or seller or their authorized agent.

Anyone who intentionally refuses to make a report or knowingly makes a false statement is guilty of a misdemeanor, punishable by a fine of not more than \$1,000. A willful release of the information by a county assessor or the Property Tax Division would also be a misdemeanor punishable by a fine of no

more than \$1,000.

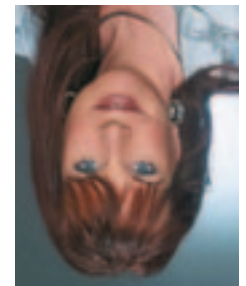
There are 15 exceptions to the law that encompass situations where a change in ownership of real estate does not result from the formal purchase and sale of the property. These exceptions include transactions such as a deed resulting from payment in full or forfeiture by a buyer under a recorded real estate contract or recorded memorandum of real estate contract; quitclaim deeds to quiet title or clear boundary disputes, and transfers between husband and wife or parent and child with only nominal consideration.

This is a very limited and general explanation of the disclosure requirement for real estate sales prices and is not intended as legal advice. Amendments have been proposed which could change disclosure requirements. If you have questions about the disclosure of prices for your real estate transactions or whether the law applies to your situation, please consult your legal advisor. 🏠

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Linda Murphy,
Associate Broker

LindaMurphySF@aol.com
www.santafehearthandhome.com

505-988-3600

Santa Fe, New Mexico 87501
644 Paseo de Peralta

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this newsletter or on buying and selling
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Real Estate News You Can Use



Important Tip!
Check with the Santa Fe County tax assessor's office (505-986-6300) to insure a correct mailing address for you!

Linda Murphy
Associate Broker
(505) 780-7711

LindaMurphySF@aol.com
www.santafehearhandhome.com



Avoiding Buyers' Remorse

A standard rule of thumb is to never plan an important business meeting or social event the day after you close on your new home. All too often, the night before has been a restless one as you second guess your decision. After all, no matter how many times you may have bought or sold a home before, it's still one of the largest financial decisions you will ever make.

You want to conduct the buying process in such a manner as to avoid making a decision you might have reason to regret later.

1. Start with a list of what you want and don't want in a new house. Put it in writing and make certain everyone involved the buying decision agrees with the items and their priority. Go over your list with your Realtor to assure that you are looking at homes that really meet your priorities.

Due Diligence First Requirement of a Realtor[®] Selling Your Home

When you sign a contract with a Realtor to sell your home, your Realtor agrees to use due diligence in the pursuit of buyers. As a seller, you agree to make the home available for showing.

What exactly is the due diligence that the Realtor agrees to? While every Realtor approaches the sales process differently, at a minimum due diligence includes such practices as advertising, listing in the Multiple Listing service, preparing flyers and calling potential buyers back when they inquire about the home.

To make certain your concept of due diligence matches that of your real estate agent, sit down before

signing a contract and go over exactly how the Realtor plans to market your home. The marketing plan should involve a number of different stages, such as:

1. **The initial listing period.** This is when interest is highest in your property because it shows up as a new listing. Realtors with buyers who have not been able to find exactly what they want will be combing new listings in hopes of getting their buyer on the scene quickly in the event your home is the perfect answer. You'll want to know when your home will appear in the Multiple Listing Service, when flyers will be avail-

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Landscaping is an Investment that Pays

One of the most important steps you can take to assure your home fetches top dollar when you decide to sell is to landscape your property appropriately. The sooner you put in trees and plantings, the more time they will have to mature and look great to prospective buyers. And you'll have the opportunity to enjoy a great setting.

The catch of course is that landscaping isn't a one-time project, but an ongoing effort. Properly maintaining your landscaping will not only make it look better, but also enable plantings to better withstand harsh weather, pests, diseases and everyday wear and tear.

The following are steps you need to take each fall to keep your landscaping healthy:

1. If you want to plant or relocate trees, fall is a good time to do so, but you want to get the planting done before the ground freezes.
2. Water trees, shrubs, and evergreens sufficiently to allow water to penetrate 3-4 inches down in the soil in the late fall before the ground freezes and during warmer dry periods of the winter. The larger the tree, the wider the area you should water. Cover the watered soil around the plant with mulch to prevent the water



from evaporating. Keep the mulch 3 to 4 inches away from the plant stem to avoid injury. Drought-stressed woody plants are more prone to winter damage, especially recent plantings. Drought also opens the doors for life-threatening borers and pests in trees, which can promote the development of disease.

3. Fertilize young trees and shrubs that have been in the ground for at least a year and wrap the trunks of young trees that are in areas of direct sunlight or reflected sunlight from snow.

4. Divide spring and summer blooming perennials and plant new perennials (i.e. anemone, daffodil, dahlia, hyacinth, narcissus, ranunculus, tulips, flowering onions, etc.). These plants start developing root systems in the fall so you will want to water them thoroughly so the water gets down several inches into the soil. After frost, cut back the dry stems of perennials to soil level.
5. Clear out the blackened stems and foliage of annual flowers and vegetables. This avoids harboring disease pathogens and insect eggs over the winter.
6. Once the first freeze hits, spread mulch over garden areas to protect plants and soil by keeping the temperature even. Waiting until the first freeze discourages rodents from nesting in the mulch.
7. Mulch ornamental grasses with organic material in the fall to protect roots and shoots from freezing.
8. Lawns should be mowed short for winter and fertilized to give the roots a healthy start for winter dormancy. Aerate your grass in the fall and spring to improve water penetration and reduce runoff. 🏠

Due Diligence

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able and if the Realtor plans to hold an open house.

2. **After the first two weeks.** Interest will be a bit cooler now so you will want to know how the marketing plan will evolve. Is your Realtor planning to advertise your home and if so where? What

can be done to generate renewed interest? Will potential buyers who look at your home be contacted to discover their reactions and whether your home may still be a consideration?

3. **While the home is under contract.** There's often an inclination once a contract has been signed to sit back and wait. But what if the contract falls through? Your real

estate agent needs to keep contact with potential buyers who might be willing to make a backup offer or come in with a new contract if the pending sale fails to close.

I welcome an opportunity to discuss my approach to selling your home. Give me a call today and find out why my concept of due diligence brings the right buyers and sellers together. 🏠

Buyer's Remorse

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2. Set a realistic budget and pre-qualify for necessary financing. Don't overstretch when buying a house. Consider worst case scenarios. Knowing you can afford the home is critically important for your peace of mind.
3. When you find a property you like, go back to your list of priorities and make certain there's a match. You don't want to fall in love with a house that really doesn't meet your needs. If you do, you need to be very aware of why you are choosing to purchase the house despite your priorities.
4. Spend time at the property before the making an offer and before the closing. Walk the neighborhood. Practice driving to work during rush hour or taking the kids to school. Talk to the neighbors and ask them how they like the area. If there is vacant land nearby, find out how it will be developed.
5. Avoid bidding wars. Too often the very fact that someone else wants to purchase the same home will increase its attractiveness in your eyes and convince you to overpay.
6. Understand that the market may be less favorable down the road, and that you may have to hold on to the house longer than you might plan to sell it profitably.
7. When you make an offer on the home, make certain your offer contains the appropriate contingencies such as approved financing, a satisfactory home inspection, and appraisal supporting the purchase price. If you default on a signed contract you need to understand that you will most likely lose your earnest money and could face legal action for monetary damages.
8. Talk to your Realtor. If you are having any second thoughts, discuss them prior to the closing table. The odds are you have made the right decision. You just need to have the fact confirmed! 🏠

Ideas for Conserving Home Energy and Saving Money

Energy costs are often the wild card in the deck. The costs we can't predict. But while we may not be able to influence the price of the gas or electricity we use, we can influence how much energy it takes to heat or light our homes.

Long-term, some of the most important ways to save energy are to replace your windows with energy efficient ones and stay properly insulated. Late fall, however, is not a good time to make these improvements. Instead, consider setting your appliances to save energy. Turn your water heater down to 210 degrees, drop your room thermostat to 68 degrees, set your dishwasher cycle at air dry rather than heat dry and minimize the use of hot water when you wash clothes.

Unplug appliances that aren't in use, particularly those that have an indicator light that remains on when the unit is turned off. Even when

not in use, videocassette recorders, televisions, microwaves and cordless phones use electricity to keep memory chips and LCD lights on.

Add weather stripping to doors to minimize cold airflow and consider installing insulating "honeycomb" window shades that add an insulated barrier to your windows. Many hardware stores carry insulating blinds that can be cut to fit your windows in minutes and are considerably more cost-efficient than custom blinds.

Buy your family fluffy slippers and cozy cardigans. Just keeping your toes warm can make turning the thermostat down less noticeable.

Replacing incandescent bulbs with compact fluorescent ones can save up to three-quarters of the electricity used by standard bulbs. But you'll want to have incandescent reading lights in areas where you like to sit with the paper or a good book.



Q *Our lender's closing costs for credit checks, the appraisal and title fees seem rather high. Do they mark up these services to make additional money?*

A According to a July 2001 decision of the Court of Appeals for the 7th Circuit, mark-ups of home real estate services are legal, without limit. The court's decision applies to the three states of the 7th Circuit, Illinois, Indiana and Wisconsin. The U.S. Department of Housing and Urban Development

(HUD) disagrees and maintains that marking-up the costs of consumer credit reports, appraisals, title recordings and other routine mortgage costs is illegal. HUD guidance and regulations consistently prohibit all unearned fees.

Most lenders follow the HUD guidelines, but some have come up with a twist to allow higher than normal closing costs. Instead of marking up appraisals and title fees, the lenders own the appraisal company and/or title company. Those firms in turn charge above market rates for their services. Before you apply for a loan, ask about closing costs and then call other lenders to see how those costs compare. If the loan terms are right, but other fees are too high, tell the lender you would like to select a different appraisal and title company. 🏠