



**BUYING RIGHT
SELLING FOR MORE
FORWARD THINKING BUYS
GROWING WEALTH**

With

Bay Area Real Estate

GLENN MENDELL

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In 1960, the year I was born, my father made a brave decision: he sold his cherished '57 Chevy to buy his first home. Over the next decade, while balancing his job as a high school teacher, he managed to purchase 29 rental homes. His tireless commitment to building wealth through real estate, with help from a great real estate agent, allowed him to retire at 45.

He often shared his knowledge with me, from how he acquired so many properties to why his real estate agent was so great. After graduating from college in 1983, real estate was not a primary career focus. However, when an opportunity came along two years later, I took the leap and bought my first home. Like my father, I too sold a beloved car to make it happen.

Since that 1985 purchase, real estate has shaped my path in countless ways. That first home became a fixer-upper project. This grew into new homes, subdivisions and apartment buildings. I became a Realtor in 1988, a real estate broker in 1994 and have helped over 1,200 clients with their home sales.

In 1995, my wife and I opened a real estate brokerage, then added a property management division and a mortgage brokerage. Streamlining the process was always a goal to help our clients.

My love for real estate and the endless possibilities it offers has fueled my journey. Sharing this passion with others has been truly fulfilling.

I hope the insights here will help in achieving your goals in the exciting world of real estate.



Hanging with Dad as he converts that first home from a
3 bedroom 1 bath into a 5 bedroom 2 bath.

Chapter 1

BUYING RIGHT

Where to begin.

Start with Your Budget

Before beginning your home search, it is essential to understand how much you can realistically afford. Setting this foundation early ensures a focused and effective search. Consulting a loan broker who can find the best mortgage options tailored to your needs is a smart first step, especially if recommended by a trusted source. Alternatively, a mortgage banker at your current bank or credit union can also be a reliable choice.

When you're ready to make an offer on a home, it's important to show that you can afford it. A pre-approval letter is helpful not just for your Realtor but also for the seller's Realtor. Sellers want to avoid deals falling through because it takes their home off the market and limits showings. Plus, you don't want to waste time looking at homes outside your budget.

Types of Loan Approvals

The best proof you can buy is an underwritten approval from a reputable local lender, followed by a pre-approval. A pre-qualification letter doesn't carry much weight. Making an offer without a pre-approval can be risky unless you're paying cash. Sellers and

listing agents may doubt your ability to secure financing. Even if your offer is accepted, the deal could fall through, potentially putting your earnest money deposit at risk.

In addition, identifying the funds for your downpayment, including closing costs, and potential housing costs is part of the process. The lender will want to see proof of this, including reserves. Furthermore, the seller and the seller's agent will often want to see documentation showing enough funds in your name to complete the purchase.

In some cases, offers are made without the purchase being contingent upon final loan approval, especially in competitive situations when there are multiple offers. An underwritten approval and confidence the property will appraise should lower the risk.

Note - Try not to make any large purchases prior to getting a pre-approval. Or, moving money around just before your funds are verified. Lenders for home loans are not in the business of getting homes back through foreclosure, they want to make sure you are a good candidate to fulfill the loan obligations.

Online Lenders

Online or out-of-area loan institutions might offer attractive rates but can introduce risks. Some sellers' agents may view them skeptically, potentially impacting your offer. While many online lenders can perform effectively, choosing a reliable loan broker or lending institution is a critical step.

Co-Signers

It is not uncommon for first time buyers, or those stretching their budget, to get a co-signer for the home loan. It is often a family member, but there are also less conventional methods such as seller financing and equity share programs.

The Online Search

Most home searches start online using platforms like Zillow, Redfin, Realtor.com, or your Realtor's website. These resources are excellent for initial research, allowing you to explore listings, view maps, street views, and property details, which helps narrow down options. Your Realtor can also aid in the process and may have access to off-market properties or upcoming listings (coming soon).

Choosing the Right Location

You can change the house, but not the location. By starting with the right location, you set yourself up for long-term satisfaction and a sound investment. From cosmetic to significant changes, enhancements can be done by you or future homeowners.

A good Realtor will highlight both the pros and cons of each property. The location you choose may be influenced by factors such as proximity to work, family, schools, or other priorities. School ratings often play a significant role in determining a desirable area and can impact home values. There are websites that provide school scores for elementary, middle, and high schools, offering insight into your potential investment - GreatSchools.org is one of them.

View Lots

View lots can be the pinnacle of what homebuyers would love to have, but views of the bay, mountains, or city lights can come with their own set of considerations. Open views may mean more wind, unexpected noise that travels over long distances, and slightly lower temperatures. Additionally, these homes might be farther from town or require navigating winding roads.

Homes located in foothills or on gentle knolls can offer pleasant views without some of the downsides of properties higher up or farther out. While these views may not be panoramic or far-reaching, they can still be quite appealing.

Despite some possible drawbacks, homes with views often come at a premium – especially when they are well-built, structurally secure, and equipped with modern amenities that meet homeowner expectations.

Living Next to Open Space

Open space can be a major draw for homebuyers. Homes that back onto open areas or are next to a greenbelt are often highly sought after for their connection to nature and added privacy from having one less neighboring property. While recent fire insurance hikes have made some buyers cautious about properties near open space, it remains an attractive feature overall. This advantage not only enhances the living experience but also tends to boost the resale value down the line.

Living in the City

Living in places like San Francisco or downtown San Jose offers a completely different experience from suburban life. The hustle and energy of city living appeal to some, while others prefer quieter, more spacious environments. One major perk of city life is the convenience of restaurants, shops, and cultural spots that are often just a walk away. However, challenges like homelessness can detract from the overall experience. San Francisco, in particular, showcases historic charm with its older buildings and iconic sights, from the Golden Gate Bridge to its stunning waterfront views. But older homes come with their own set of issues, such as aging infrastructure, outdated plumbing, and electrical systems. Like any place, city living has its pros and cons, and it's all about finding what fits your lifestyle.

City home values have experienced sharp upward spikes, often surpassing those in top suburban areas. However, there have also been periods where appreciation stalled, and the suburbs outpaced city growth. Within cities, neighborhoods can vary greatly in desirability. For example, areas like Pacific Heights, the Marina District, and Nob Hill are often sought after. On the other hand, neighborhoods such as the Tenderloin, The Castro, and Hunters Point are considered less desirable. The various areas of the city come with their own unique character and market trends, making research essential.

Houses

A single-family detached home is often the top choice for homebuyers. Like condos and townhomes, it offers

pride of ownership, potential for appreciation, and financial perks like mortgage interest and property tax deductions, plus capital gains exclusions. However, it stands out with added benefits: more yard space, no shared walls, greater flexibility for renovations, and often better appreciation and easier resale.

Condos and Townhouses

First off, understanding the difference between condos and townhouses can be confusing. While a two-story unit attached to others is often called a townhouse, that's not always accurate. The main distinction lies in ownership: a condo means you own the air space within the walls but not the land it sits on, while a townhouse typically includes ownership of the land beneath it. To add to the complexity, there's also the "duet," which is similar to a townhouse but has unique attributes.

For simplicity, let us refer to single-level units as condos and multi-level units as townhouses.

When choosing the right condo or townhouse, there are some important factors to consider. Condos on the top floor often have the advantage of higher ceilings, more natural light, and no noise from neighbors above. End units, whether condos or townhouses, can also be more desirable, as they typically have extra windows, allowing for more natural light and only one shared wall, reducing noise from neighboring units.

It's also worth noting that some properties were originally built as condos or townhouses and may feature better soundproofing and structural integrity. However, buildings that started as apartments and were later converted can come with risks related to older plumbing, electrical systems, and overall structure.

When considering a property, especially if it's more than 10 years old, it's crucial to review the financial health of the homeowner's association (HOA). This ensures there are adequate reserves for future repairs and maintenance, helping avoid unexpected costs down the road.

For newer properties under 10 years old, homeowner associations occasionally consider a lawsuit against the builder if any defects have been discovered. This is often due to the 10-year rule in California where builders are on the hook for construction.

Homeowners Associations (HOAs)

Properties within an HOA can have advantages and drawbacks. While restrictions often maintain neighborhood uniformity and minimize nuisances, they come with fees and potential assessments. Gated communities, especially those with 24-hour security, can increase expenses. Swimming pools can also add significant costs, and poorly funded reserves could result in higher dues or assessments.

HOA amenities can be a plus though, and maintenance they provide can offset some homeowner costs.

Balancing Location and Property

Choosing where to live involves macro (city/area) and micro (neighborhood/street) decisions. Even in your ideal area, location specifics matter. Noise from busy roads, railways, or commercial zones can affect enjoyment and resale value.

Visit the home at different times of day. Listen for road noise, school traffic, barking dogs, or nearby fly zones. Check parking and street activity. Walking the neighborhood can offer insights; well-kept homes and friendly neighbors are good signs.

Needs and Wants - 7 out of 10 is OK

Especially for first-time buyers, and even those who have purchased homes in the past, getting all your “needs” and “wants”, in your price range, is often unrealistic. Just getting most of them is often a win. Making a change or two with the home, after buying it, is another way to add “needs” and “wants”.

* * *

How it Started

In 1985, as a first-time homebuyer, I wasn't exactly picky - I couldn't afford to be. Inspired by my father's real estate success, I jumped at the first opportunity that came my way. Back then, there was no scrolling through endless listings online; I was happy with the roof over my head, my own bedroom, and a working bathroom - only 3 “wants”.... but I would've taken less.



First home and fixer-upper from 1985.

Photo after six months of exterior repairs and a new paint job.

Front yard jungle removed, front of home now visible from the street.

Changed the color from "Battleship Gray" to something better.

The final six months were the most difficult when doing the interior.

Discovered the actual floor colors in the process.

I moved in and rented a room to a contractor in exchange for renovation help. It took a year to make the home marketable, while a deadline loomed large to repay a seller financed loan.

After selling that first house for a nice profit, I bought a small, but new townhouse for my wife and me. And, invested in another fixer-upper. Through trial and plenty of errors, I repeated this process and things grew from there.

Finding a functional home.

Start From the Curb

Evaluate the parking options. Does the setup align with your lifestyle? Is parking easy, and does the driveway or garage comfortably fit your vehicles? Consider if you need space for a recreational vehicle or guest parking.

Access to the home is another key point. Are there stairs at the entry? Think about whether you or your visitors might have difficulty with stairs now or in the future. Inside, multi-levels and step-downs can be unexpected obstacles for guests and can become inconvenient over time. It is worth noting that as the population ages, single-story homes or those with minimal stairs are in higher demand. A century ago, only 1 in 20 people were over 65; today, it's 1 in 6, a useful fact for resale considerations.

In multi-story homes, a ground-level bedroom and bathroom are often desirable, whether for guests, in-laws, or a home office. If all bedrooms are on an upper floor, it could be a dealbreaker for some buyers.

Kitchen and Garage

If you have kids who will spend time playing in the backyard, a kitchen with a window that overlooks the yard can be a real asset for parents, providing both convenience and peace of mind. Likewise, if grocery shopping is a regular part of your routine, a kitchen located close to the garage makes unloading bags quick and easy.

When considering the garage itself, think beyond just parking. Does it offer extra storage space or a designated area for projects and hobbies? Does it include a convenient access door leading to the side yard or backyard?

Bedrooms and Living Spaces

The layout of bedrooms is a key consideration. For example, families with young children often prefer two or more bedrooms on the same level as the primary bedroom. Floor plans with a primary bedroom on the ground floor and additional bedrooms upstairs can work well for those wanting to minimize stair climbing while accommodating family or guests.

Pay attention to shared walls. Would you want a guest room to share a wall with the primary bedroom? Usually, the answer is no. Also, consider the proximity

of bedrooms to noisier spaces like the kitchen or family room, as this can affect sleep quality.

Family rooms may be separate or connected to the kitchen, with the kitchen-family room combo being especially popular. However, keep in mind that this layout can make it challenging to watch TV and for leisure activities while there's cooking or cleaning going on in the kitchen.

Living rooms have generally decreased in size due to the rise of family rooms. They are often among the first spaces seen upon entering the home, designed more for appearance and formal occasions.

Dining rooms vary widely - they may be part of the living room, completely separate, or absent altogether. For some buyers, the dining room is important for accommodating dinner guests, while others are fine with spaces like kitchen nooks or breakfast bars.

Bedrooms, offices, and dens are versatile spaces that can adapt to a homeowner's needs. When setting up a home office, consider separating it from noise and distractions.

Finally, separate entrances to bedrooms, offices, or guest rooms can offer added convenience - and they're often easy to add.

Orientation and Neighboring Homes

Think about which direction the primary bedroom faces. Does it catch the afternoon sun, making it hot late in the day? If you enjoy sleeping with open windows, could noise from outside be an issue?

Are there surrounding trees that provide privacy, or are there too many, blocking natural light? Is the home or backyard overlooked by nearby two-story homes, creating a "fishbowl" effect that compromises privacy?

Is the home at street level, above it, or below? Homes below street level can face water runoff issues if drainage isn't properly managed. Additionally, seeing cars at eye level from your front window may not be ideal, and pushing heavy garbage cans uphill to the street can be challenging.

Energy Efficiency

Energy efficiency is often overlooked but crucial. How comfortable will the home be in summer and winter? Asking for energy bill copies can be helpful. Check for dual-pane windows, good insulation, and whether the heating and cooling systems can handle the home's size. Smart thermostats like Nest can maintain a comfortable indoor temperature efficiently.

The type and color of the roof matter too; lighter-colored roofs often reflect more heat, while a thicker roof may provide better insulation.

Are there solar panels for electricity? If so, is it owned or leased? A leased system often means the buyer

must take over the payments, so reviewing the solar contract carefully is essential.

Electrical

Review the electrical system to see what type it is. Outdated systems are knob and tube, aluminum wiring, and cloth insulated wiring. Fuse boxes versus circuit breakers are another example of an outdated electrical system.

Ensure there are enough circuit breakers to prevent power issues when multiple devices are used. Is there room in the panel for future expansions? Also, check if the home has LED lighting and updated fixtures, as older lights can add heat and increase electricity bills. A thorough property inspection can help in answering these questions.

Internet, Security and Sound Systems

Depending upon the importance of an upgraded internet set up, maybe one with fiber optics running through the home, finding out if one exists could be on your list. If important, and not part of the home, consider getting an estimate prior to an offer, or during escrow.

Security systems are more common, the question is their age and if it's a system that works for you. Same with sound systems or build-in speakers.

Plumbing and Water Heaters

There are a variety of plumbing pipes that are used. These include copper and galvanized steel, or plastic such as PVC, ABS and PEX. For metal pipes, copper

pipes are often the preference over galvanized steel, and PEX is often the preference when using plastic piping.

Check the water heater age and see if there is any corrosion buildup, especially with storage tank water heaters. For tankless water heaters, they can have sensor issues, a dirty filter, or a closed valve as some of the reasons there is a lack of hot water. How long does it take for the bathrooms and kitchen to get hot water? Is the water pressure adequate in the showers? A thorough property inspection can often answer functional questions like these.

Windows and Doors

First, see if the windows are dual pane. Single pane windows are poor at insulating the home from excess heat and cold. Inspect their functionality, as well as the doors. Windows should open and close easily and be without broken seals that cause fogging. Sticking doors are not only problematic for everyday use, they may indicate settling or drainage problems.

A property inspection will often include the windows and doors.

Foundation and Drainage

Check the foundation and drainage around the home. Foundations can be concrete slabs, concrete perimeters with crawl spaces, or other types, especially on hillsides. Concrete perimeter foundations often use piers and beams for extra support. On hillsides or in areas with potential ground movement, deep piers are often used. Newer slab

foundations may have steel cables running crisscross for added strength (Post-tensioned slabs).

Good drainage is crucial for a stable foundation. Water pooling around or under the house can cause cracks or settling over time. If moisture builds up in a crawl space, it can lead to water damage, structural problems, or mold.

Yards and Landscaping

When it comes to yards, level areas are a major plus. The more level and usable the space, the greater the flexibility for outdoor activities and landscaping options.

Lawns are a common feature and should have functioning irrigation systems. Synthetic grass is growing in popularity due to its year-round lush appearance, water savings, and resistance to pests like gophers. However, it can absorb heat and may pose occasional issues if pets use it for urination.

Trees and foliage enhance beauty, provide shade, and offer privacy. Recent focus on fire safety suggests six feet of clearance around the perimeter of the home.

Gardens and fruit trees add charm and functionality but can attract pests like flies, and be popular with birds and squirrels.

Is there a pool, or space to add one? Pools are a dream for many homeowners but come with costs and potential liability to consider.

Additional amenities like a sport court, play area, or accessory dwelling unit (ADU) can increase enjoyment and potentially boost resale value. In California, new SB9 rules make it easier to add ADUs or guest houses, even in areas governed by homeowners' associations.

Retaining Walls

Retaining walls are functional for creating usable outdoor spaces but can be costly to repair if they fail. Identify the type of retaining wall – wood, concrete, or keystone, and check for proper installation and current condition. Drainage systems built with retaining walls, including weep holes, can extend the lifespan.

* * *

Understanding Functionality

I was fortunate to marry shortly after buying my first home and have been even more fortunate to have shared that journey ever since. It was my wife, now approaching her 35th year as a Realtor, who brought a practical eye for spotting pros and cons in properties I might have missed, especially early on.

Learning to see a home's functionality from both male and female perspectives expanded my understanding of what makes a property truly livable. Over the years, this knowledge grew to include the needs of families, the elderly, the handy and not so handy, as well as those that weren't sure what to look for in a functional home.



My daughter hanging with Dad in 1988
while adding lattice to our townhouse fence.



Family in front of our ground up remodel in 1990.
Turned our one-story 3 bedroom 1 bath into a two-story 4 bedroom 3 bath.

Design considerations.

Start From the Curb

When you look at the front of a home from the street, what catches your eye? How is the curb appeal? Does the garage dominate the view, or is it balanced with the house-front? Is the driveway and front yard in good shape, or do they need attention? What about the exterior features like light fixtures, gutters, garage doors, and windows – are they well-maintained or in need of a refresh?

On the positive side, does the entrance stand out in an inviting way? Is the landscaping neatly arranged and appealing? Do you like the style of the roof, whether it is a traditional pitched roof or a modern flat design?

While curb appeal can be improved, you need to ask yourself: are you willing and able to make those changes?

Front Door and Entry

The front entry door can play a role in curb appeal. Is it a single or double door? Tall and impressive? Designed with decorative glass? Maybe it is a grand iron door. Beyond aesthetics, the entry door can set the tone for first impressions.

Stepping inside, what kind of entry are you looking for? Do you prefer a spacious, grand entrance with high ceilings that create an open feel? Or are you OK if it is a bit dark and divided? While these preferences

are personal, being mindful of these factors can guide your decision-making.

Keep Emotions in Check

Staged homes are designed to evoke positive emotions, which can sometimes distract buyers from noticing important details. Conversely, homes that do not show well may provoke negative reactions, causing buyers to overlook potential opportunities. Realtors that see homes on a regular basis often have an easier time seeing past the staging, or those that are poorly prepped. At the very least, staging can help in imagining how the home could look with your furniture and belongings, but taking a step back, whether it be from the dazzle or the dullness, take a closer look at the details of the home.

Importance of the Kitchen

Often seen as the heart of the home, the kitchen deserves careful consideration from both homeowners and buyers. Is it spacious or compact, filled with light or shadowed? Is it a closed-off galley style or an open layout connected to the family room? Can renovations be made to improve the space?

Look closely at the details: How old are the appliances? Are the cabinets original, or have they just been painted over? What about the countertops – are they solid surfaces or tiled with grout lines? If solid, is it an older surface or a more popular stone such as quartzite or granite that many buyers now prefer? And what about the color and stone pattern? Could you or the next homeowner live with it?

Importance of Bathrooms

Starting with the primary bathroom, and hopefully there is one, is there a double sink or a single? Is there a shower on its own, a shower over tub or shower and a tub?

Are the cabinets original? What about the countertops – are they original, solid surface or tiled with grout lines? With the abundance of water in bathrooms, what condition are the plumbing fixtures?

Secondary bathrooms carry weight as well. What will guests see when they use the hall bath or half bath closest to the living space?

Kitchen and Bath Remodels

Keep in mind, kitchen and bathroom remodels are significant investments. They can also be disruptive during renovations, especially when it comes to the kitchen and bathrooms.

Living Spaces and Bedrooms

The good news is that living spaces and bedrooms are usually easier to update with cosmetic changes. However, factors like size, layout, and positioning within the floor plan are much harder to alter.

Consider the lighting: Are there recessed LED lights, ceiling fans, decorative sconces, or skylights? These can greatly affect the look and feel of a room.

What about the finishing touches? Crown molding and larger, decorative baseboards for elegance. Take a

look at the flooring – is it hardwood, stone, tile, or luxury vinyl plank (LVP)?

And the storage: Is there ample closet space? Do the bedrooms have walk-in closets?

Outdoor Spaces

Starting with privacy, can you see into neighboring homes, or can they see into your backyard? Privacy is often a top priority when choosing a backyard design. If the space is not private enough, consider if there's room to plant privacy trees or install a feature like a trellis.

Is there enough space, and is it fenced in for children? Is there an area, or potential for one, to create a patio for barbecues and gatherings? Is there a hot tub or room to add one? What about a pool or space to install one in the future? But be careful of homes where the pool takes up most, or all, of the outdoor space. While a pool can be a great feature, many homeowners value having usable ground space for other activities, like gardening, playing, or entertaining.

Additionally, keep in mind that the backyard is often visible from the kitchen and other parts of the home. Thinking about what is currently there and what could be added can enhance your overall enjoyment of the space. It can also play a role in resale value.

* * *

Understanding Home Design

Home design expertise takes time to develop. While there are incredibly talented interior designers and stagers with unique ideas, when selling a home, the goal is to create a design that appeals to the masses - not just the homeowner or the designer.

When designing a home to live in, though, your personal tastes often take center stage. Still, it is helpful to keep in mind what might appeal to others, especially if you ever plan to sell the home.

I'll admit, when I bought my first home, my design expertise was probably a zero on a scale from 1 to 10. My father, who was incredibly successful in real estate, lacked a flair for design as well - his plaid shirts and striped pants were a giveaway!

However, over the years I've been fortunate to have toured hundreds of beautifully staged homes, while collaborating with stagers and interior designers along the way. This has been helpful when working with sellers on design strategies, and occasionally with buyers during the home search process. Since design preferences evolve, staying up to date and adapting along the way has been a must...whether I like the new trends or not.



After seven years as a Realtor and brokerage manager,
started Fox Real Estate in 1995.

A menu of real estate services was offered, from full service
including home prep, down to flat fee programs and consulting.
1st time buyers to former Realtors became clients.

San Francisco Business Times
SAN FRANCISCO • OAKLAND • EAST BAY • PENINSULA • NORTH BAY

Top Residential Real Estate Brokers in the Bay Area

1) Glenn Mendell FOX REAL ESTATE

Number of deals in 1998: 114
Producer's home office: San Ramon
Value of 1998 deals: \$34.2 million

Specialties: Residential and investment property for the entire Bay Area.
Years in the industry: 13
Market outlook for 1999: Low inventory and fewer available rentals should keep property values strong. The use of the Internet to purchase real estate will continue to increase.

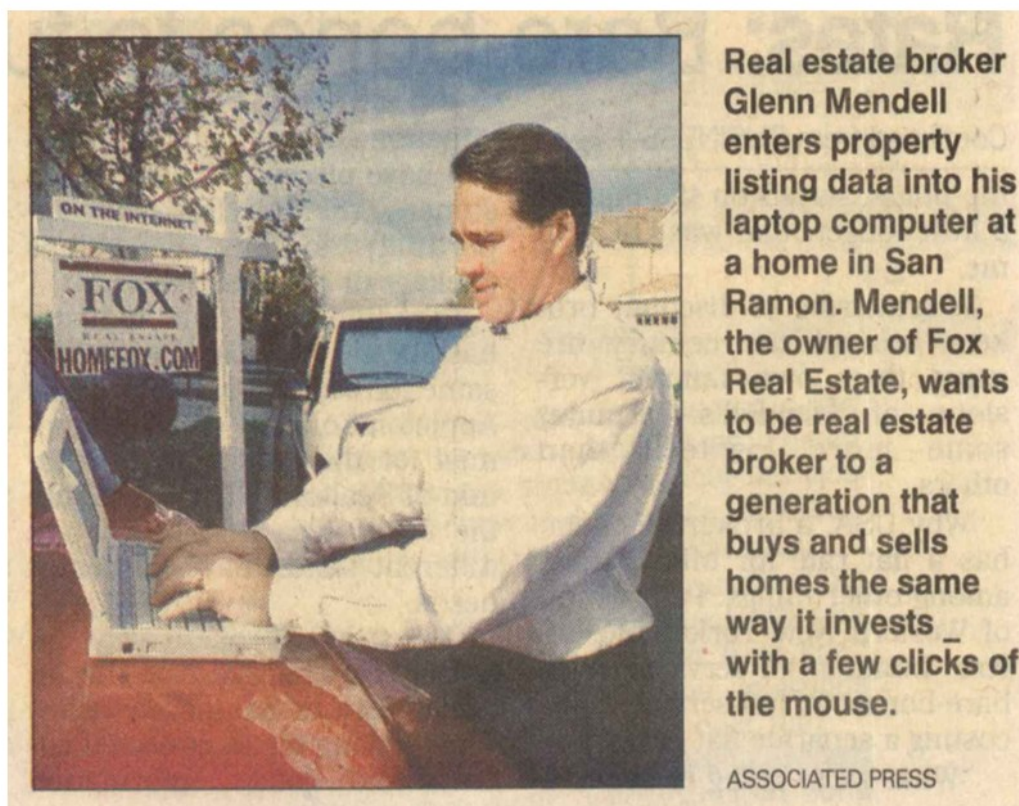
2) Joe Schembri COLDWELL BANKER

Number of deals in 1998: 112
Producer's home office: Fremont
Value of 1998 deals: \$33 million

Things took off and had to create a program for the volume.
By using the Internet, online real estate services were born.
In 1997 and 1998, was the Business Times top Bay Area Realtor.



Doing the 1st online real estate transactions along with the Business Times top agent ranking led to unfamiliar territory - TV appearances and a lot of press.



Zip Realty, Zillow, Redfin and DocuSign were created 5 years later.

Chapter Two

SELLING FOR MORE

From home-prep to list price.

Your Home on Display

Selling a home successfully often means treating it like a product. When you put in the effort to showcase a home in its best light, you not only increase the chances of selling it for a higher price but also speed up the process and attract more favorable terms.

Step One – Declutter!

Begin by removing clutter, both inside and out. Once decluttered, the home can be assessed as far as what cosmetic changes need to be made and how to stage the home. The goal is to make it easier for buyers to envision themselves in the home. If you cannot remove everything, storing items in the garage or using a storage unit are good options.

Home Staging

In the past, painting was considered the most cost-effective way to improve a home's appeal. Today, however, staging is just as valuable in helping a home sell quickly and for a higher price.

Staging with your own furniture is an option but remember "less is more". Try to create a sense of roominess. For added emotional impact, consider a

“blended stage” where selected pieces are inserted to enhance the home’s interior. If the home is empty, full staging often delivers the strongest emotional connection for buyers.

Home Inspections

It is also wise to conduct inspections before hitting the market. Addressing any necessary repairs beforehand, or at least having the inspection report available to buyers can streamline the offer process. Knowing upfront what needs attention can prevent last-minute contingencies, which can be risky for sellers.

Importance of Home Photos

Once the home is ready, professional photos are a must. In today’s market, photos can make or break a potential buyer’s interest. While drone shots or video tours can add extra appeal, high-quality photos of the home are the first thing most buyers look at when scanning listings.

Market Timing

Timing matters too. Market conditions, like interest rates or global events, can influence the number of buyers looking for homes. Historically, springtime, or as early as February, tends to see the most activity, while the winter months or holiday periods often see a drop in showings. If competition in your neighborhood is high, it might be wise to wait. However, if your home stands out, going to market when the competition doesn’t measure up, could work to your advantage.

Pricing to Sell

Pricing is one of the most critical factors in selling a home. A well-priced fixer-upper can sell quickly, while the nicest home on the street may sit unsold if priced too high.

Some sellers believe they can start with a high price and still attract offers, but this strategy often backfires. Beyond location and home features, price is a major reason buyers might skip a showing or avoid making an offer altogether.

Overpriced homes tend to linger on the market, leading to inevitable price reductions. This extended market time is visible to buyers, who may perceive the home as less desirable and offer even less than the adjusted price.

Setting the right price from the start is essential to attract interest, avoid unnecessary delays, and secure the best possible outcome.

Pricing a bit below market value is a safer bet versus starting high. A more attractive price can lead to multiple offers and potentially drive the price up.

Once the home is listed, the market will quickly reveal the right value through the response it generates. As one real estate saying goes, “the market doesn’t lie.” Buyers today are more educated than ever, with easy access to valuation sites and recent home sales.

* * *

Preparation is key for achieving the best results, especially when selling a home. And its preparation before a home goes on the market, not after.

I've lost track of how many times I've seen homes hit the market half-prepped, featuring just one lonely photo - or worse, photos that look like someone just discovered the camera on their smartphone.

Talk about a buzzkill! This can hurt the marketing and momentum of the listing.

It's well known that new listings often attract the most attention right at the start. Buyers who have been actively searching pay close attention to new listings. They'll check out the photos and details as soon as the listing appears and might drive by or schedule a showing right away.

To make the most of this initial interest, ensure the home is 100% ready before it hits the market. Having all the photos, ideally professional ones, ready to go is essential. Preparing the home inside and out maximizes first impressions and increases the chances of early interest and competitive offers.

There's no second chance at a first impression!



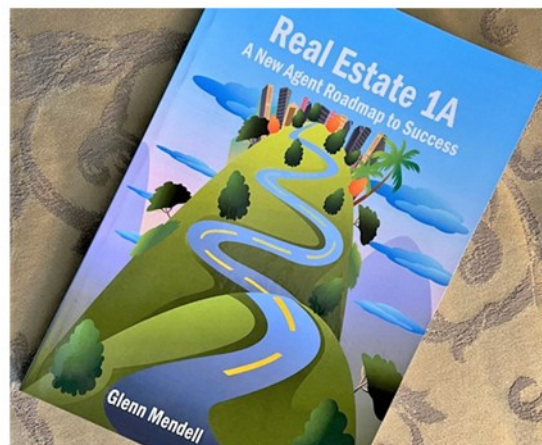
TV commercial with Jamie Farr.



Mortgage company.



Property management company.



1st real estate book.

Chapter Three

FORWARD THINKING BUYS

Resale & Investment Strategies.

Homes as a Sellable Asset

Keeping future resale potential in mind is wise. Your home is likely one of your biggest investments, so planning an “exit strategy” can help in avoiding financial pitfalls down the road.

Remote Locations and Privacy

If you prefer a more remote location within the Bay Area, there are still places where you can find quiet, remote properties far from the noise and bustle. Locations like La Honda, the Los Gatos Mountains and Morgan Territory Road are just a few of many options that offer privacy and often, lower prices. However, these secluded spots come with trade-offs, such as longer commutes, limited access to jobs and schools, and potential exposure to inclement weather, fire risks, reduced utility services, and slower emergency response times. While these properties offer unique charm, these factors can make them less appealing to future buyers.

Closer to Town

Properties near essential amenities, schools, and employment hubs attract a larger pool of buyers. Locations close to downtown areas can be particularly desirable. Living near vibrant town

centers offers easy access to shopping, dining, and activities. Downtown areas in Palo Alto, Los Altos, Willow Glen, Pleasanton, and Danville are some examples, known for their quaint charm, shopping, dining and activities.

Homes within walking distance to popular downtowns typically hold strong resale value and tend to appreciate more over time. The convenience and lifestyle benefits draw many potential buyers, making these homes a solid investment. Be prepared, however, for higher prices per square foot, even for properties in need of renovations.

Another consideration is its distance to key locations like freeways, town or city centers, international airports, universities, and even bodies of water. These elements can add convenience for you and increase potential buyer interest and appreciation when it comes time to sell.

Home Features That Matter

In general, a three-bedroom home will appeal to more buyers than a two-bedroom, and a four-bedroom even more so. The total size of the home also matters; more square footage provides flexible living options. The yard is important too – is there space for children to play, areas for relaxation, and does it offer privacy?

Levels and Age While two-story and tri-level homes work for some, fewer stairs often mean more appeal to a wider range of buyers. When the market shifts to favor buyers, multi-level homes can be at a

disadvantage. Builders may construct vertical homes to save on land costs, but most buyers tend to prefer more horizontal, single-level layouts.

Consider the age of the home too. Unless it's an older home with charm and updates to meet current standards, a newer home often has an edge. Newer homes typically come with fewer maintenance issues, which is a plus for both current and future owners.

Preferences Versus Resale

How far do you go when it comes to worrying about the impact on resale value? On the other hand, when it comes to personal tastes, walls are easy to repaint, but countertops, backsplashes, tile floors, and other types of surfaces that require demo for changes, might be worth more consideration.

* * *

Make Your Money When You Buy

Building wealth in real estate takes time and patience. Rushing the process or overextending your finances can lead to setbacks, while steady, persistent efforts often pave the way for greater success.

Properties purchased in haste may also require more work and effort. On the other hand, taking a more calculated approach can improve your odds for financial success. If the property is your primary

residence, making thoughtful upgrades over time, if needed, can build “sweat equity.”

Staying in a property for at least two years not only allows you to enjoy the improvements but also qualifies for the capital gains exemption. Longer term holds often yield the greatest appreciation and equity growth.



1st subdivision. Eight new homes.



1st home backing to open space.



1st oversized home.



1st view lot.

Chapter Four

GROWING WEALTH

Paths to success.

Where to Start

If you're not already a property owner, you may wonder how to secure that first purchase. Especially, without tapping into equity from an existing home. The answer? Be prepared to do "whatever it takes." First-time buyers often need to be less selective. Homes that need work, aren't in prime locations, or condos and townhouses can be great starting points. Getting a family member to cosign is common, and while lease options are less popular now, owners of rental properties occasionally offer tenants an opportunity to buy when they decide to sell.

First-time homebuyer loans, some with as little as 3% down payments, are also worth exploring. Like any major financial move, start by understanding your budget and consulting with a loan broker, mortgage banker, or credit union.

A Real Estate Dilemma

Many homeowners regret selling past properties, often because they needed the proceeds to purchase their next home. However, if you can avoid selling, you may accelerate your real estate wealth. More than 80% of U.S. retirement wealth is tied to real estate, a testament to its value as an investment.

Renting Your Home

Holding onto your home and renting it out when buying a new property, if possible, is a smart way to grow your real estate portfolio. While managing a rental comes with challenges – whether self-managing or hiring a property manager – it can pay off long term. Be prepared for wear and tear and potential renovation needs if transitioning back into or selling the rental.

Remodeling Your Home

If you're attached to your location but need more space or modern updates, remodeling can be a great alternative to selling. Renovating your current home typically results in lower property taxes compared to buying another. Strategic renovations can increase the value of your property, potentially giving you a boost in building wealth as well. Plus, remodeling allows you to design the space to your tastes, combining the ideal location with your perfect home.

Fixer-Uppers

Buying a fixer-upper, the worst house on the street, or finding a motivated seller can increase your odds of building that sweat equity. Living in and renovating a property isn't easy, but it's effective. With first-time buyers having access to various financing options with low down payments, they also can benefit from mortgage interest tax deductions. Renting out a room or two can also help manage costs. Starting with a home that needs work or updating can be a viable entry into real estate.

Buying Rentals

You may have met people who own rental properties and relished to be in their shoes. While acquiring rental properties in the Bay Area is more challenging today, it's still possible. Focusing on more affordable areas or buying duplexes, triplexes, or fourplexes is one strategy. Loans for up to four units often come with more favorable terms, and the expected rental income can help you qualify for financing. Although it is often easier to sell single family homes, properties with multiple units can provide a high rental return.

However, rent control is now becoming more common, especially in multi-unit properties. In addition, tenants rights can make it costly to evict problematic and non-payers.

Creative Financing

With Bay Area property values seeing some of the best increases in the country, property owners often have a good amount of equity in their real estate holdings. The offset is when they sell. Unless doing an exchange to defer capital gains taxes, they are exposed to some high taxes when selling.

As a potential “win win” for both buyers looking to acquire more properties, and longtime property owners looking to sell, seller financing can be rewarding to both parties. Sellers can defer or spread out the capital gain over a number of years. They can also ask for a nice rate of return when they carry financing. For the buyers, this can help in acquiring properties they wouldn't qualify for otherwise.

With fixers and problematic properties, some property owners no longer wish to deal with them. However, property buyers, looking to build their real estate wealth, might be inclined to roll up their sleeves and address the property issues in exchange for financing assistance and/or a good deal.

This can be a numbers game as the number of sellers out there willing to do creative financing has dwindled over the years. But they do still exist. Buying for no money down is rare as sellers want buyers to have some skin in the game, but instead of 25% down payments as most lenders require on rentals, this amount can often be reduced with seller participation.

* * *

Lessons Learned

I've been fortunate to have experienced some nice returns on the properties I've owned - more than two dozen over the years. All went up in value, but two barely broke even despite significant improvements. I've also been part of several real estate partnerships, most successful, but not all. Two could have been much better.

Lesson #1:

Don't be an Over-Improvement for the Neighborhood

In 1988, I bought a home in a neighborhood of similar-sized houses, but the larger lot offered great potential for expansion. I transformed a modest 3-bedroom, 1-

bath home into a 4-bedroom, 3-bath, more than doubling its size.

Just as the renovation was finishing, the 1989 earthquake hit, stalling the market for two years. Carrying costs forced me to sell, but the bigger challenge was the surrounding neighborhood. Despite a \$700,000 appraisal, the home was surrounded by \$400,000 properties. Buyers wouldn't pay its full value, and I was lucky to avoid a terrible loss.

Lesson #2:

Don't Overextend on Investment Properties

The property I bought in 1988 taught me a hard lesson about carrying costs without rental income – the expenses were overwhelming. If I'd been able to pay cash, I could have waited for the market to recover, but that wasn't an option early in my real estate journey.

In hindsight, doing a moderate renovation may have solved my problems. However, taking a chance with a large monthly expense can drain funds in a hurry.

Lesson #3:

Choose Partners Wisely

A subdivision project I started should have yielded a great return but fell way short when I shared control with a less experienced partner. Add the personal issues he had with others on the project and things couldn't have gone much worse.

I made a poor partner choice, then provided a role beyond his skillset.

Lesson #4

Use an Attorney to Draft a Partnership Exit Plan

When I owned a real estate brokerage, I had various agreements with individuals and companies. One agreement was a trial partnership with an individual who had a background in company growth and efficiency.

Things started quite well, but over time, the individual started to alienate company agents. Moral dropped and I chose to end the partnership when the trial period ended. Unfortunately, the individual did not honor my choice. The partnership became difficult to unwind, and ultimately required legal intervention to dissolve. Had I used an attorney to draft the partnership agreement in the first place, I would have spent a lot less to end it.

Lesson #5

Stay in the Game – Don't Wait for the Market

In 2009, during the real estate downturn, I sold a home. While I was fortunate to break even after making some nice improvements, it was still disappointing. Shortly after closing escrow, I began searching for another property. I'd seen how some sellers moved away, only to struggle to re-enter the Bay Area market years later. The same often happens to those waiting for interest rates to drop or for the "perfect" home. Not wanting to face that challenge, I soon purchased a well-located property. Though it needed updating – that was fine with me.

The home has since tripled in value, proving the enduring strength of Bay Area real estate.



1990



2005



2020

Do-It-Yourself Home Efficiency Test

**Home efficiency can improve living comforts,
reduce energy bills, and improve resale potential.**

This self-test on your home can tell you how it ranks, efficiency-wise. It will provide insight and education for what can be done to improve your home's electric, gas and water efficiency.

If you are looking to buy a home, you might also find the test or its categories useful.

Tally the points for each question.

Points after each choice range from -3 to +3.

0 points if the choice has no value.

A score of 36 or less is EXCELLENT.

A score of 37 to 72 is AVERAGE.

A score of 73 and above is POOR.

Structure & Setting

1. Type



Detached 3



End 2



Interior 1

2. Age



Newer 1



Medium 2



Older 3

3. Efficient Home (ICF, LEED, Other)



Yes (-2)



No

4. Size



Smaller 1



Medium 2



Larger 3

5. Levels



One 3



Two 2



Three 1

6. High Ceilings



None 1



Some 2



All/Most 3

7. Shading



None 3



Some 2



Abundant 1

Building Shell

8. Type of Roof



Thick 1



Medium 2



Thin 3

9. Color of Roof



Dark 3



Medium 2



Light 1

10. Roof Insulation



None 3



Medium 2



Abundant 1

11. Wall Insulation



None 3



Some 2



All 1

12. Floor Insulation



Some/None 2



Yes 1



Slab

13. Exterior Grade Doors



None 3



Some 2



All 1

14. Pet Doors



Standard 3



Magnet Latch 2



No

Windows

15. Amount of Windows



Few 1



Medium 2



Abundant 3

16. Dual Pane Windows



None 3



Mix 2



All 1

17. Amount of Skylights



None 1



One 2



Multiple 3

Systems

18. Source of Heating



Gas 1



Electric 2



Other 3

19. Age of Heating System



Newer 1



Medium 2



Older 3

20. Source of Cooling



Central 1



Room 2



None 3

21. Age of Air Conditioning System



Newer 1



Medium 2



Older 3

22. Water Heater Type



Storage Tank 2



Tankless 1



Other 3

23. Water Heater Age



Newer 1



Medium 2



Older 3

24. Lighting



Bulbs 3



Mix 2



LED 1

25. Number of Refrigerators



One 1



Two 2



Three 3

26. Old Refrigerators



None 1



One 2



Two Or More 3

27. Washing Machine Age



Newer 1



Medium 2



Older 3

28. Clothes Dryer Age



Newer 1



Medium 2



Older 3

29. Dishwasher Age



Newer 1



Medium 2



Older 3

30. Swimming Pool



Pool 2



No Pool

31. Type of Filter Pump



Variable Speed 1



Single Speed 3



No

32. Landscaping Amount



Little/None 1



Some 2



Abundant 3

32. Age/Condition of Irrigation



Newer/Good 1



Average 2



Older/Poor 3

34. Low Flow Toilets



All 1



Mix 2



None 3

35. Low Flow Shower Heads



All 1



Mix 2



None 3

36. Solar Panels for Electricity



Yes (-3)



No

37. Solar Water Heating



Yes (-3)



No

38. Solar Swimming Pool Cover



Yes (-2)



No

39. Water Heater Set to 120 Degrees



Yes (-1)



No

40. Irrigation Off During Rain



Yes



No 2

41. Programmable Thermostat



Yes



No 2

42. The home can be overly hot



Yes 2



No

43. The home can be overly cold or drafty



Yes 2



No

Tally Score _____

