

## **Nearly 75% of CA residents selling their home due to financial difficulties**

Given our current economic climate, why are sellers putting their home or property on the market? According to results of the 2009 Survey of California Home Sellers, trouble making mortgage payments, job losses, and increases in monthly mortgage payments played significant roles in sellers' decisions to sell their homes. Nearly three-quarters of all sellers in California sold as a result of financial difficulties, a significant change of events from two years ago when most sellers entered the market for a larger home or better location. In fact, one in three homeowners with a mortgage owe more on their present home than it's worth.

There are other reasons besides financial ones that lead to people selling their homes. Some other common reasons why people sell include a change in their personal life, lifestyle changes, their home is too small or too big, health reasons, family (to either see more often or less often), employment, and retirement. In American, people sell and move, on average, every 5 to 7 years.

However, in our current market, first-time sellers constituted nearly half of the seller population (44 percent) in 2009, a 33 percent increase from 2008. Sellers owned their homes an average of 2.4 years, with 45 percent owning their home for two years or less. Of those owning their home for two years or less before selling, nearly half (45 percent) had trouble making mortgage payments; totaling about one in five sellers.

Many sellers are experiencing how difficult it is in today's market to find a "fast" buyer; this is leading many of those homeowners to rent out their homes to tenants—to help cover their mortgage—causing an increase in available rentals. When prices are going up, there is a big incentive to sell versus when prices are going down (when selling can be more challenging).

If you are considering selling your home, no matter the reason, a REALTOR® can be your best asset. For buyers, now is a great time to buy. With the extension and expansion of the federal tax credit and the reduction in home prices, there are great "buys" to be had here. Contact a REALTOR® and ask them to assist you in finding your home.

*Some of the statistical information above is provided by California Association of REALTORS® Membership Development Manager Carmen Hirciag.*

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