

Real Estate & Divorce: Hidden Landmines

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The Agenda

1. 2021: A Look Ahead
2. Court Orders: A Team Effort
3. Quantifying the Damage a Wrong Realtor Can Do

2021: A Look Ahead

When 2020 Comes Home to Roost

- **865,000 Women Dropped Out of the Workforce***
- **3.4 Million Forbearances****
- **Property values are at an all-time high**
 - \$320,625 - highest on record
 - Up 15% - beating 2005's run-up of 14.5%

**The Mortgage Bankers Association*

***US Bureau of Labor Statistics*

What Can We Expect in 2021?

More Sales, Less Buy-Outs

- Women not working:
 - Cannot qualify for a refinance
 - Husband's support increases means his debt increases
- Forbearances
 - Tough on credit and lending requirements
- Moratoriums Lifted = Foreclosures
 - Credit scores plummet
 - Waiting periods in effect
- Property Values High
 - Larger loan amounts means buy-outs are unaffordable

2. Ineffective Orders

The Cost of Dispute Resolution

- Settlement Efforts: \$4,000
- Hearing: \$4,000 - \$6,000

The Real Estate Industry's Red Tape

- Fiduciary Responsibilities
 - Utmost care, diligent exercise of reasonable skill and care
- Contractual Guidelines
 - Purchase Agreement: Timelines easily breached
- Title Underwriting
 - Elisor signature, POA, Diminished capacity, Uninsured chain
- Lending Regulations
 - Loan approvals
- MLS Rules
 - Right of first refusal, Unavailable for showings
- Neighborhood / City / Zoning Ordinances

Real Estate Orders Need Real Estate Expert Input

- Stipulating list price and price reductions
- Showing guidelines
 - Ex: 72 Hour Notice for Showings
- Other Terms
 - Occupant to Remain in the House until February 15, 2021
- No proceeds directive

3. Quantifying the Damage a Wrong Realtor Can Do

The Costly Agent

- **High Conflict Personalities**
 - Control the listing
- **Biases are not in check**
 - Breakdown in trust
- **Neutrality isn't at the forefront**
 - Lack of credibility
- **Predatory intentions**
 - Agent and buyer win, sellers lose

The Cost of Days on Market

- Less than 10 DOM
 - List Price: \$546,074
 - Closed Price: \$547,146
 - **Difference: + \$1,072**
- 25-35 DOM
 - List Price: \$591,879
 - Closed Price: \$580,934
 - **Difference: - \$10,945**
- 60+ DOM
 - List Price: \$605,179
 - Closed Price: \$599,215
 - **Difference: - \$15,535**

*Source: California Regional Multiple Listing Service

**Increasing DOM =
Decreasing Property Values**

\$260 per Day

\$7,800 Per Month

The Cost to of an Unskilled Realtor

- 4 Months on Market: \$31,200
- Settlement Efforts: \$4,000
- Hearing: \$5,000
- **Total: \$40,200**

Take Aways:

- Be Prepared for more property sales in 2021
- Consult Real Estate Professionals when Drafting Orders
- Choose the Realtor Wisely

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Leading the Way in Divorce Real Estate.