

7 Tips 7 Tips

7 Tips to Invest Wisely

**in a
Myrtle Beach Second Home**

by
Kay Van Hoesen





Clark Howard says,

"Second homes are the best deal in a distressed real estate market."

And that's especially true right now when housing in many vacation-home destinations has bottomed. But how do you invest with confidence when you're not from the area and unfamiliar with the market?

After developing more than 35,000 appraisals for 3,400 clients in the golf mecca and resort market of Myrtle Beach, SC, I've seen way too many out-of-towners pay way too much money.

However, by following a few simple steps, you can protect your hard-earned savings and come out ahead.

Tip # 1

Tip # 1

Find a seasoned, professional real estate agent

An agent can save you a ton of time and trouble or add to your frustration, so choose wisely. Resort areas attract transplants, and often agents are new to the area, so make sure you select someone who's been in the local market at least a decade. They'll know neighborhood nuances.

Choose your agency first. Then ask to consult with the broker-in-charge. Let the broker know what type property you want and your price range, then ask the broker to assign you a seasoned, full-time agent for whatever type property you want.

Warning: Before you sign a Buyer Agency Contract (not required, but many agents push them), make sure you read all the terms and ask whether you can cancel it if you don't like the agent.



Use a Realtor. They belong to the National Association of Realtors and must adhere to a strict Code of Ethics.

Don't call the listing agent of a property. Why? They can't equally represent the seller and you. Avoid "dual agencies" and instead, find an agent to represent you.

Before making an offer, know the values. Ask your agent to document in writing:

- The lowest-priced active competing properties
- Recent sales of competing properties

If it's in writing, you'll have recourse if they misrepresent, and thus they'll be more forthcoming.

Tip # 2

Tip # 2

If you're buying a condominium...

Most condo projects use professional property management companies. Find out the name and phone number of the property manager. Call them and ask these questions:

- How much are the HOA dues and what do they include (water & sewer, cable TV, insurance)?
- Is there a special assessment for insurance? If so, how much is it (or was it last time)?
- What are the reserves? (You want to make sure there's money set aside for building improvements)
- Is there any pending litigation?
- Are there any anticipated special assessments? (You don't want to get hit with a mammoth bill for capital improvements)
- What percentage of owners are in arrears on their dues?



Tip # 3

Tip # 3

If you plan on renting seasonally to offset expenses...

If it's a condotel (a condo project run like a hotel), find out what percentage of the gross income the rental management company keeps. Because they provide a plethora of services including housekeeping, 50% is typical.

For off-site rental managers, you can shop management companies and negotiate commissions. In Myrtle Beach, fees range from 5% to 30%, depending on the level of service and the potential for rental income.

Ask to see a few annual statements of income for property similar to yours.

Before signing with a rental manager, find out:

- Are they available 24/7? They should be.
- Do they check on your property from time-to-time? How often?
- How do they handle issues such as a broken refrigerator or air conditioning that goes out?

Tip # 4

Tip # 4

If you're buying a house...

Drive through the neighborhood at different times of day and talk to the neighbors. “Quaint neighborhood” and “fixer-upper” mean different things to different people.



Questions you should ask neighbors or your Realtor if you're buying near the coast:

- How much tourist traffic the area gets
- Has the area ever flooded
- How hard is it to get insurance that close to the beach

Tip # 5

Tip # 5

Check on the property taxes

In South Carolina, primary home owners get a huge break on property taxes at the expense of second-home and investor owners. Over-65-year-old primary homeowners get an even bigger break with a [homestead exemption](#).

The property's tax valuation will be reassessed after you buy, and it could increase substantially (or possibly decrease) depending on whether the property is assessed differently and also whether the homeowner status changes.

For example, the annual taxes on my primary home are \$1,280. But I'm locked in at a low valuation until there's another County-wide reassessment. For the same assessed valuation, a non-primary owner would pay \$3,140 in taxes. However, undoubtedly, a new owner would get a higher assessment, and it's likely the annual non-primary taxes would be closer to \$5,300.

So don't rely on current taxes as a gauge for what your taxes will be. Instead, call the [Horry County Tax Assessor's office](#) (843-915-5040), give them the tax map number, and tell them whether or not the property will be a primary home. Ask them to give you an estimate of taxes based upon the proposed sales price.

Your property will be reassessed effective December 31 in the year in which you buy. The Assessor's office could assess it for a value that's greater or less than your purchase price.

You can appeal the assessment, but we won't go into detail about that here. Contact us if you need help (info@CertifaxAppraisals.com or 843-497-9155, Ext. 106).

Tip # 6

Tip # 6

Consult with a savvy appraiser

If you're getting a mortgage, chances are the lender will require an appraisal. But even if you're paying cash, you should still consult with an appraiser experienced in the local market.

Most appraisers won't tell you this, but any appraiser worth his/her salt can grid up comps for you, look at available inventory, and give you a good idea of a property's value range (provided it's not a terribly unusual home) for a lower fee and quicker turn-around time.

Recently we did that for cash-buyer on an oceanfront condo under contract at \$76,000. Not only did it [appraise for 17% less at \\$63,000](#), but we also pointed out to him a virtually identical unit on the market at \$64,900. **For a \$250 fee, he saved \$13,000.**



Tip # 7

Tip # 7

Beware Developer Closeout Inventory

If you're buying developer-owned property, make sure you find out if there is any resale activity. You've probably seen real estate ads for Myrtle Beach condos and "**developer closeout inventory**" touting "**best deals**" and prices "**better than foreclosures.**"

WARNING: That is often not the case.

Yes, it's true, developers have slashed their prices, in some cases by up to 50% off market highs, but that does not mean the property is priced below the **current** market. You've got to look at both resales (**resales** is the operative word ... more about that [here](#)) and also competing active inventory. It's usually priced well under developer listings.

Don't make this \$70,000 mistake...

In one scenario here in our office, a D.C. area couple almost overpaid by \$70,000 until we did an appraisal and pointed out resale listings. We pissed off a developer, a Realtor and a lender, but we **saved them \$70,000.**

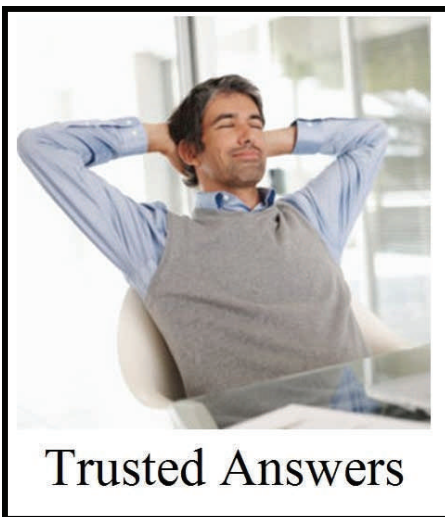


So make sure you utilize the services of a [residential appraiser](#) who is well experienced in the local market. The best way to find one is to ask some [commercial appraisers](#) who they recommend for residential work.

In 2011, sales of investment properties and second homes soared 64.5% over 2010 as buyers scooped up real estate at beaten down prices. Now the nation's abuzz with optimism about a [real estate recovery](#), and prices in many markets are inching up. If you were ever in the market for a vacation home, right now is a great time to capitalize on low prices provided you take a few steps to ensure you're truly getting great value.



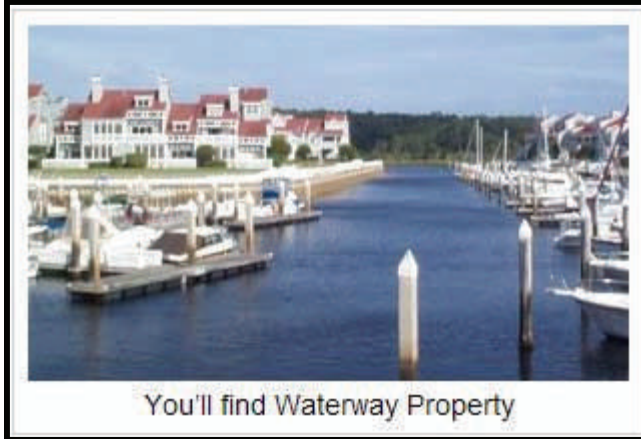
With the best golf courses in the south, 60 miles of wide, soft sandy beaches, freshwater, ocean and deep-sea saltwater fishing, outlet malls, historic sites, savory restaurants, and so much more, Myrtle Beach is an ideal place to vacation and retire.



If you'd like an easy way to sift through 13,000 listings, receive unbiased research and personalized consulting, consider membership in **The Certifax Report**, the insider's guide to the best real estate deals in Myrtle Beach. Whether you're an investor or just looking for the perfect second home, we save you wasted hours searching, sleepless nights worrying, and as much as \$25,000 to \$100,000 per transaction.

We've been around since 1986 and have developed more than 35,000 appraisals, but most people outside of Myrtle Beach have never heard of us.

That's because **The Certifax Report** is not written for "most people."



Unlike national foreclosure-listing sites that only deliver public records and algorithms, we focus on the local market, know it inside and out, and we're the only service anywhere that delivers honest and objective analysis.

If your real estate investments are too important to leave to chance, and you like having the benefit of expert, insider advice when it comes to finding them, then ***The Certifax Report*** is written for you. And if that's not enough to interest you, how about access to one-on-one consulting with a certified appraiser, personalized property searches and referrals to the best, most experienced real estate agents on the Grand Strand.

Our research goes way beyond general descriptions and simple listings. We include the all-important neighborhood details, little-known pros and cons, and research on recent sales that make the difference between average buys and investments of a lifetime.



Here are just a few of the valuable benefits our members receive:

- Dozens of rock-bottom investment opportunities every month
- Save as much as \$25,000 to \$100,000 under current, historic-low prices in a single transaction
- Oceanfront, ocean view, waterway, and golf course property
- Includes houses, condos and golf villas
- Luxury to budget. Prices as low as \$25,000 and up.
- Done-for-you research on the best bargains priced 10% to 50% under current prices
- Put away the charts and spread sheets because we do all that for you
- Alerts so you can act fast — before everyone else — to snag deals
- Knowledge that Other People Don't Have but Want
- No Hype. No Hidden Agendas. No Commissions at Stake.
- Guaranteed Unbiased. No sellers or agents can influence or pay to get listed
- Easy-to-read synopsis including recent competing sales
- Reveals the good, the bad and the ugly, so you can make fully-informed decisions
- Minimizes your work, your risk, and your time
- **Plus** ... Broker referrals. If you're out of town, we can help you with a purchase, included **free**
- **Plus** ... Talk to an Expert. Discounted one-on-one consulting with a Certified Appraiser

In essence, we are your personal real estate concierge, a trusted advisor who separates the truly special from the mundane so you don't have to waste precious time and money doing it.

As a member, if you can't find an answer to your real estate needs on our site, just send us an email or give us a call and we will provide a personalized response, usually in less than 24 hours.

So, if you like gaining the benefit of expert reviews, tips and insider secrets about extraordinary real estate deals ...

If you'd enjoy being part of an exclusive group with insider knowledge ...

If you find yourself hopelessly, yet happily hooked on the beauty and laid-back lifestyle of Myrtle Beach ...

Then welcome to ***The Certifax Report.***

Click [here](#) to join now.



Kay Van Hoesen is founder, senior appraiser and owner of Certifax, Inc. with local appraisal experience since 1986. Together, she and her staff have developed more than 35,000 appraisals for over 3,400 clients.

Kay is a state certified residential real estate appraiser in both South Carolina and North Carolina as well as FHA-approved. Additionally, she is a licensed real estate broker in South Carolina, a participating member of the National Association of Realtors, the Coastal Carolinas Association of Realtors, and an Associate Member of the prestigious Appraisal Institute.

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