



"The Nuts & Bolts of Real Estate!"

By:

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Real estate is a big business. I don't mean just the process of buying or selling a single property, I mean the entire reach (or scope) of the entire process involved. When someone buys a house who is effected because of the transaction? The answer may surprise you. It is a lot of people. Let me explain....

In our area it starts off with the selection of a real estate practitioner. Most of the time a REALTOR® is selected to assist the seller in marketing the property, or to assist a buyer in his or her real property purchase.

When someone decides to purchase a property they typically need to finance it. In so doing, they select a lender to assist them with the cash needed to make the purchase. This decision to get financing affects that lenders business as well. Each business that is affected because of the property purchase also affects the employees and staff of that business. That business is in operation and is a part of the real estate industry. They pay taxes, pay rent or lease the property and that also affects the lives of many others in the community. But the list goes on. I mentioned real estate is a big business, let's see how big it can get.

On many purchases there is a home inspections done. The home inspector may find items that need to be corrected, fixed, or improved. These repairs could be taken care of by a contractor, engineer, or other professional. These individuals are affected because of the real estate transaction.

An appraiser may be needed to determine that the property is worth at least the amount offered by the prospective buyer. The appraiser may also call for repairs or other inspections to be done. (Roof repair, foundation, electrical, insect inspections, etc...) Here you can see many additional people involved in this one real estate transaction.

A title policy is also ordered to determine that the property will be transferred without any liens or unwanted encumbrances. The tile industry is directly affected because of the real estate industry.

As sellers prepare the property for sale and when the new owner modify the property to meet their needs, they may hire landscapers, florists, painters, home cleaning services, interior

decorators, and others to improve the property. They may purchase new appliances, furniture, install new flooring, fences, light fixtures and more. Each decision that is made impacts a local economy in a large way. These decisions affect lumber yards, department stores, retail facilities and lots of others. Real estate is definitely a Big Business.

These decisions can even affect restaurants when food is purchased to take care of the people helping the groups move into or out of the property. Hotel rooms are paid for when people stay in preparation for the move. Cars are rented, airplane tickets purchased, new vehicles bought and the list goes on. (Can you see how much commerce is happening because of this one transaction?)

The new home needs supplies to stock the shelves and cupboards. New items from the stores are purchased for recreational activities that our area supports. (Fishing, hunting, skiing, backpacking, boating, motorcycling, etc...)

Real estate is a Big Business.

When someone buys or sells a single property it effects our entire community in a very positive way. The federal government credits the real estate industry for the positive impact it has on our economy.

Each of us is affected in some way when someone purchases or sells a property. It could be when an employee moves or when a purchase is made or a service is rendered. It could be that a new service of an accountant or other professional is needed for the new property owner.

I hope you see that Real Estate is a Big Business and that by understanding it better you can use this valuable tool in your life. Call this column "Real Estate 101," "The A.B.C.'s of Real Estate," or even the "Helping You With Real Estate" column. But let's keep it basic. Let's discuss the Nuts & Bolts about Real Estate.

In future articles I plan on sharing more information on real estate and the process involved in selecting the right professional to assist you with your real estate needs. We will cover topics like: Private Property Rights, the Benefits of home ownership, Eminent domain, the endangered species act and its effect on real estate, owning vs. renting a property, foreclosure properties, new construction, and even proposed legislation that effects real estate.

So hang on and be prepared to learn more about "**The Nuts & Bolts of Real Estate!**"

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