

Kathy Alpaugh - Coldwell Banker - Transcript

Tim Mullooly: Welcome back to Living With Money. This is Tim Mullooly. On this episode, I am joined by Kathy Alpaugh. Kathy is a close family friend and a real estate agent for Coldwell Banker here in the area. Kathy, thanks for coming on the podcast.

Kathy Alpaugh: Thank you so much Tim. It's my pleasure to be here.

Tim Mullooly: For the listeners out there, can you just provide a quick background on yourself and how you got to becoming a real estate agent and where you are today?

Kathy Alpaugh: Yes. When I graduated from college, I was in the insurance business. I actually worked for Blue Cross and Blue Shield of New Jersey as a key account analyst and I did that for about three years and then got an opportunity to go back into retail which was something I did when I was in high school and college, that I loved. And I managed a clothing boutique in Rumson which then led to a second store being opened. I did that for a very long time until I had my son and then I stayed home and when I decided I wanted to go back to work I thought, what do I want to do now?

My husband in the meantime bought the house next door to us with one of his friends and they knocked it down to rebuild it and that was my cue to go to real estate school, get my license because it was something that I was always interested in and homes and what was available and what they sold for. I went to real estate school and right away, in January of 2006, I started working for Coldwell Banker. I have never left. I think that they are a wonderful company. Give us the best tools to help our clients, whether they be buyers and sellers.

Tim Mullooly: I remember when you guys got that, the second house. I didn't know that that was kind of what jump started your real estate career.

Kathy Alpaugh: It really was because I thought, why should someone else list and sell that house and I did both. I listed it and I sold it. And the people that bought it are still living there also.

Tim Mullooly: Oh, wow. Did anything from the insurance business or retail kind of translate into what you need to do as a realtor?

Kathy Alpaugh: Well, I was a key account analyst so I worked with companies for their health benefits so it's not like I was working with individual, it was all group plans. But definitely customer service, retail really helped me with that.

Tim Mullooly: Absolutely.

Kathy Alpaugh: And I am a people person and I like talking to people, helping people. It was really a natural fit for me.

Tim Mullooly: Awesome. When someone's thinking about buying a house, what do you think is the very first thing that they should consider when they're determining if now is the time for them to buy a house in the first place?

Kathy Alpaugh: The first thing you should do is get pre-approved by a mortgage broker or your bank. Once you engage a realtor, they can give you their recommendations. I know at Coldwell Banker, we have an affiliate that does our mortgages for us and I would recommend you speak to them and they can set you up and tell you exactly how much you can afford. How much down payment you need. That's really the first thing you need to do.

Tim Mullooly: Right. That makes sense because it wouldn't really make sense to go looking at specific houses or areas if you don't know how much you can afford in the first place.

Kathy Alpaugh: Exactly. And then after that, it's town, county. Where do you want to be?

Tim Mullooly: Right. In the decision between buying and renting, what are a couple things to consider on both sides whether someone should buy or if they're ready to rent?

Kathy Alpaugh: Well, if you don't have enough money for a down payment and the mortgage broker can help you through that process, then you might have to wait a little bit longer. But rents are so expensive now that if you're going to pay \$2,000 a month to rent, you could be paying a mortgage with that.

Tim Mullooly: Right. That was kind of the situation for the listeners out there, Kathy helped me and my brother Casey, buy our house a couple years ago and that was the decision that we had. Some of the rents that we were looking at were going to be more expensive than the mortgage that we're paying right now.

Kathy Alpaugh: Exactly. And you know when you rent, you get no tax benefit. When you buy, you get tax benefits. Your mortgage, interest insurance, any upkeep that you have to do, if you have to put in a new furnace or new central air, you can get tax benefits from that. There's many more tax benefits whereas if you rent, you get no tax benefits.

Tim Mullooly: Right. Would that be the main advantage to buying over renting?

Kathy Alpaugh: Absolutely.

Tim Mullooly: Yeah. We get this question a lot but more towards the stock market so it might be a tough question for you to answer, but for the housing market are we more in a buyer's or seller's market at the moment?

Kathy Alpaugh: At the moment, as of today I would say that it's both. Certain towns it's more of a buyer's market than others. If it was four months ago, I would say it was a seller's market but we're starting to see that that's starting to change a little bit.

Tim Mullooly: Is there a reason why it's starting to change?

Kathy Alpaugh: Well, there still is low inventory but interest rates are creeping up and also we had a lot of bidding war situations over the spring and the summer because inventory was so low. The sellers had their choice of buyers. Now, I don't want to say it slowed down, that's not the right word but there are people that need to buy and need to buy now because by next year, we predict that the interest rates are going to be at about five and half by then.

Tim Mullooly: Right. It looks like they're going to continue to rise.

Kathy Alpaugh: Exactly.

Tim Mullooly: At least through the end of this year.

Kathy Alpaugh: Exactly.

Tim Mullooly: Right. Is there a certain time of year for people looking to buy a house that's best typically or historically for having the most inventory? Or people sell their houses at a certain time of year?

Kathy Alpaugh: Spring is usually a very busy time when a lot of homes come on the market.

Tim Mullooly: Is there any rhyme or reason for that being the case?

Kathy Alpaugh: After the New Year, if people say, "Okay, I think we're going to sell our house." They take January, February, start to get it looking very nice and then they want to put it on for the spring.

Tim Mullooly: Right. I guess in my mind, if you're going to take pictures for listings, it also would look nicer in the springtime as opposed to the winter. Everything's covered in snow.

Kathy Alpaugh: Exactly. And if you have children, you want to be in if you purchase a home in the spring and then you sell, let's say in June, you move, you purchase in June and then your kids get settled before they start school in September.

Tim Mullooly: Right. It all makes sense. For you, when you start working with a new client, what's the process like? What are the first couple steps and conversations that you have with them?

Kathy Alpaugh: For a buyer?

Tim Mullooly: Yes.

Kathy Alpaugh: Like I said, we would do the mortgage pre-approval and then I would sit down with them and we would decide what towns they want me to start looking in. Price range, a list of things that the house they would love it to have, a must have list, something else that they would love to have if they could. We go through all of that and then I start the process of going through the MLS and searching for homes for them.

Tim Mullooly: Right. Is it a similar type of conversation with a seller?

Kathy Alpaugh: It's a little different. What I do is I go to the home first. I get all the notes that I need to do a market analysis. I tell them, give them suggestions like what needs, if something really needs to be painted or if the hardwood floors need to be redone or if carpeting is soiled. That needs to be replaced and really tidying up. The house has to look like it's picture perfect for every showing and every open house.

Tim Mullooly: Right. We went to go look at a handful of houses together and there were things at each house that you pointed out that were good signs or red flags. What are for you when you're walking through a house with a client, a buyer, what are a couple things that pop out to you either as red flags potentially or positive signs for the buyers.

Kathy Alpaugh: Positive signs when you walk up and a home has curb appeal and it's neat and it's tidy. You can tell that they have taken care of the home. If you walked up to a home and there's weeds everywhere and the grass needs to be cut and garbage not in the garbage bins and it just looks messy, that leads me to believe that they really didn't maintain the home that well. I always look for signs like that.

Tim Mullooly: Right. And then, I know a big red flag when we were looking for our house was oil tanks in the ground. Do you want to tell the listeners what to look out for with the oil tanks?

Kathy Alpaugh: Yes. If a home has a basement, you go downstairs and sometimes there's still a tank sitting in the basement that they've never had hauled away. But you want to make sure, make sure that they converted to gas, you want to ask the question, did you have oil heat? Was it a in ground tank or above ground tank? You can look in the basement. You could see piping coming in through the cinder block. Is that going to something? Is it going in the ground to something? Those are all things that I looked out for for you because that is, let's say there was an abandoned oil tank, that is the seller's responsibility to remove that tank. And that's why I always recommend you do a tank sweep to make sure that there isn't one that was abandoned under the ground that maybe even this seller doesn't even know about.

Tim Mullooly: Right. Yeah, they could have been in the ground for so long and the sellers might not have done a sweep so they might not know about it.

Kathy Alpaugh: Absolutely.

Tim Mullooly: What is the big deal about oil tanks?

Kathy Alpaugh: Well, to remove the tank itself isn't such a big deal. It's if there was contamination to the soil. And then it has to be tested and that is a much more expensive thing to have to remediate.

Tim Mullooly: Right. And you want to make sure that you get that done before you buy the house because then when you go to sell the house ...

Kathy Alpaugh: You have to have all the documentation.

Tim Mullooly: Then it falls on you.

Kathy Alpaugh: Exactly.

Tim Mullooly: For having an open house, when you're setting up, what are some of the most important things that you notice potential buyers coming in and looking at? Or things that you like to get in order before the open house starts.

Kathy Alpaugh: Okay, so I tell my sellers, the same day when I have all the pictures taken for the listing, I tell them to have everything neat and tidy. Lights on. Not a lot of area rugs all over the place, just a few. Whatever we do the day of the pictures is what I like the home to look like for the day of the open house. And also, clients coming in, buyers coming into a house, they're going to open up every closet. They're going to open up the cabinet doors in the kitchen so you want to make sure the pantry, all the cabinets, everything are neat and tidy. The closets in all the bedrooms, you want everything as neat and uncluttered as possible.

Tim Mullooly: Right. You don't want to just shove everything into one closet and hope that no one sees it.

Kathy Alpaugh: No you don't. No you don't because that will be the closet that they would open up.

Tim Mullooly: Right. And that would end up probably being the one closet they remember the most about the house.

Kathy Alpaugh: Of course. And then they might think, oh, there's not a lot of closet space here. Not a lot of storage space. Same with basements. If you have an unfinished basement, have everything in crates or boxes. Have it neat and tidy. Don't have everything in shambles all over the place.

Tim Mullooly: And obviously the same would go for the outside of the house as well.

Kathy Alpaugh: Absolutely. Grass cut or if it's fall, have the leaves all piled up. Don't have weeds in the flower beds. Just try to have it look as picture perfect as you can.

Tim Mullooly: Now this might not be something that they could control but hopefully do you just cross your fingers that the neighbors or the neighborhood isn't going crazy during an open house?

Kathy Alpaugh: We have no control over that and if someone is having a party next door, usually on Sundays between 1:00 and 3:00 you don't have too much of a risk. You just hope that that's not going on and if someone comes into the house and let's say someone's having a football party in the backyard, you just say, "Oh you know, great game today." They're watching this game. They're having a lot of fun.

Tim Mullooly: Right. Has there ever been a case where the sellers have kind of like approached the neighbors and say, "Hey we're having an open house, would you guys mind," nicely saying, be quiet?

Kathy Alpaugh: That has never been a request of mine. Whether any of my sellers done that on their own, they never told me that they did that. And it's never really been an issue.

Tim Mullooly: Right. This also might be a difficult question to answer but buying and selling, in your experience what's typically the average start to finish time? And is it different, longer, shorter, for buying and selling?

Kathy Alpaugh: For selling I would say if the house is priced right, I would say it would be quicker because of low inventory, the house is going to sell faster. We have things that get listed and sold in 30 days if it's priced right. With a buyer, let's say they're a first time home buyer and first day out with me, they find a house that they absolutely love. They might be a little hesitant to jump because they want to look at more, see more so they have something else to compare it to. Unless the house has every single thing they want, I would encourage them to put in an offer and take it now because of low inventory.

Tim Mullooly: Right. If there was more inventory, is it usually better to not fall in love with the first house you see and maybe kind of look around more? Or does it depend on how much inventory there is?

Kathy Alpaugh: It really depends on how much inventory and as you know, as a new home owner, when you were in the process, you were looking online just as much as I'm sending things from the MLS. You're seeing, okay, in my price range in this town, there's only 20 houses for sale or 10 houses. It's not like I have 30 houses to show you. When I first started there was so much inventory that I would be able to send you 30 listings in your price range.

Tim Mullooly: Wow.

Kathy Alpaugh: It's not that way anymore.

Tim Mullooly: Yeah. I feel like that for me, that's kind of counter-intuitive because I feel like there's more houses today than there were a handful of years ago but there's less inventory.

Kathy Alpaugh: There's less inventory.

Tim Mullooly: Okay. For a person, when you're working with them, how important is it to make sure that the realtor they're working with and the couple, the family, the individual, mesh and get along?

Kathy Alpaugh: It's very important. You have to be a very good listener. That's what you have to do first. Listen to exactly what the buyer wants and try to find them just that. But you also have to educate them on, you need to get pre-approved for a mortgage. If this is what you can afford, this is what's out there in your price range. If you can afford \$300,000, you might not be

getting every single thing on your list of wants. You definitely have to be a very good listener but you also have to educate them through the process.

Tim Mullooly: And sometimes, like you're saying, you need to educate them, is it with a first time home buyer, they might not, you kind of need to set expectations for them as well in terms of what's realistic when looking for houses?

Kathy Alpaugh: Well, I would say, "Okay, in this price range we're looking at a ranch or a cape on an average size lot." And they pretty much know that already but you try to say, "It's very hard to get all of these upgraded things in this price range." You try to educate them with that and they understand. They understand after a while but you have to have good communication and they have to also tell you what they are looking for. If you don't get any guidelines, how do you know what to find for somebody?

Tim Mullooly: Exactly.

Kathy Alpaugh: You have to mesh.

Tim Mullooly: Yeah, it's a participation sport on the client's side as well.

Kathy Alpaugh: Absolutely.

Tim Mullooly: Right. A lot of my peers, my friends, have begun looking for their first house or places to rent, stuff like that and I know I used this website as a starter. There are a lot of apps and websites like Zillow and Trulia. As a realtor, what benefit do you see to those sites? And just what are your thoughts on people using those websites as their way to find listings?

Kathy Alpaugh: You absolutely can look on those websites. The thing that I always tell my clients, a lot of the information is not up to date. It's always better going on ColdwellBanker.com because there's going to be current listings with current availability on there. A lot of times with Zillow and Trulia, it's not up to the minute because it takes 24 hours to feed once we put a change into the MLS and I think a lot of people get a little discouraged when I say, "No, that house is no longer available." Or, "That house is off the market." Or, "That's not the correct price, it's this price." It's always better to go to a Coldwell Banker, homes.com, ColdwellBanker.com. It's always better to look at a home site like that first.

Tim Mullooly: That's why I was comforted knowing that I could, I had the Zillow app and I had our area circled and anytime something popped up in our range, I would look at it and then I would text you or call you about it. Would that be the benefit of using that site but also having an agent to bounce ideas off of?

Kathy Alpaugh: Absolutely. Absolutely. It's always great to peruse what's on the market but in order to get in the door and get the correct information, you have to start a relationship with a realtor for sure.

Tim Mullooly: Right. You mentioned at the beginning of the podcast that you work for Coldwell Banker and that you really enjoy working for them. With such a well-known, large firm like Coldwell Banker, how does that help both you as an agent and your clients throughout the buying and selling process?

Kathy Alpaugh: Coldwell Banker has been dedicated to selling homes since 1906. We are devoted the service of our clients, the success of our agents and the remarkable power of a home. We have a tremendous amount of things that we do as agents that are given to us from our company to promote your listing in the best way possible and as far, and we have all other companies that we are affiliated with like mortgage, insurance, referral, if you're moving out of state, we can refer you out of state. We have so many tools. If you are an affiliated agent with Coldwell Banker to do the best you possibly could for a buyer and a seller.

Tim Mullooly: That's awesome. I remember, like you're saying, you have insurance and referrals, everything.

Kathy Alpaugh: Title.

Tim Mullooly: Yeah, everything that we needed to do when we bought the house, it was right there for us.

Kathy Alpaugh: It's right there.

Tim Mullooly: It's super easy.

Kathy Alpaugh: It really, it really is. We make the process very, very easy.

Tim Mullooly: I'm driving around, I see Coldwell Banker signs, listings, all over the place so they help you out with the marketing to kind of promote all the listings as well.

Kathy Alpaugh: Yes, absolutely. We're on so many websites. Your home is featured everywhere. The exposure, the online exposure is tremendous.

Tim Mullooly: Right. For you, I like ask every guest that comes on about whether it's personal or professional or one of both. What's one piece of advice that you've gotten I'm your lifetime that you've never forgotten?

Kathy Alpaugh: Well, I would have to say, it is to treat people as you want to be treated and that was something that my parent actually instilled in all of us from when we were little and it is so true. It's you have to be honest and loyal to your clients, you will get that in return.

Tim Mullooly: Yep. I was going to say, I feel like, especially in the real estate business, I would want to have my home buying or selling process be as good as possible so as an agent, you want to give that back to your clients.

Kathy Alpaugh: Absolutely. You do because it is the single biggest investment that a buyer will ever make and when they are selling their home, it is a very big investment that they are selling. You have to treat your clients with respect. You have to be honest. It's not about selling a piece of furniture. You're selling their home. You have to be honest and you certainly have to be loyal to them.

Tim Mullooly: Yep. And I feel like that comes back to you tenfold in the form, if you do a good job for one person, they're going to be likely to tell their friend when they're looking for a house, "Hey I used Kathy Alpaugh helped me and she was great."

Kathy Alpaugh: Absolutely.

Tim Mullooly: You find it comes back in referrals all the time?

Kathy Alpaugh: Absolutely. And someone I sold one house to when they're ready to buy another house, I get that business back. For me, it really is about making people happy. I love what I do and at the end of the day, after the closing is done, when that person or that family is extremely happy, it means more to me than anything. It really makes me very, very happy.

Tim Mullooly: I have one more question, it's kind of that question reversed. What would one piece of advice that you could give to a young person getting started in the real estate business today, if you could give a piece of advice, what would that be?

Kathy Alpaugh: Learn as much about the company that you work for and also when are with clients, be honest. If they're asking your opinion about the way something looks or you have to be honest. You can't try to waiver. Answer the question the way you think they want it to go, you just have to answer them honestly.

Tim Mullooly: Right. I feel like that gets back to what we were talking about before about setting expectations and being realistic with them.

Kathy Alpaugh: Absolutely.

Tim Mullooly: You can't kind of cater what they want if it's not ...

Kathy Alpaugh: Feasible.

Tim Mullooly: Right, exactly. Because then ultimately at the end of the day, they're going to find out that it wasn't realistic and you were being dishonest with them.

Kathy Alpaugh: Exactly. You always have to just be honest and give them all the facts and if every transaction has a tendency to be different and if you don't know that answer to something, I find out. Whether I go to my broker, we all help each other and we have a lot of support behind us. All the way up to the president. They, the president of our company is just as hands on as the broker in our offices.

Tim Mullooly: Awesome. Kathy, to be honest, I feel odd saying Kathy because I'm good friends with your son Bill. We went to kindergarten together, still good friends today so I've always called you Mrs. Alpaugh.

Kathy Alpaugh: That's okay.

Tim Mullooly: Yeah. Well thank you for coming on the podcast. That's all the questions I had for you today.

Kathy Alpaugh: Thank you very much Tim.

Tim Mullooly: For the listeners out there, I'll link in the show notes to Coldwell Banker's website and the contact info for Kathy as well, if you're looking to buy or sell a house, get in touch with her. That's all for this episode of Living With Money. Thanks for listening and we'll see you on the next one.