



WHAT TO DO WITH THE HOUSE??

Things to consider if you are going through a divorce

When going through a divorce one of the first things that may come to mind is whether or not you should sell the marital home. *Divorce and selling a home or other real estate* are probably two of the most stressful life events. Going through both at the same time can be much worse. The decision process of what to do with the home can become difficult to deal with when you are facing a divorce.

For many couples their home is the most valuable asset they have and it usually holds a fair amount of sentimental value as well. As much as one spouse or the other may want to keep the home many times the situation demands selling it. Here are some considerations as you try to decide what direction to take.

BILL LEEPER & SHIRLEY JENKINS

YOUR COLORADO HOME GROUP

WE BOTH HAVE THE FOLLOWING
DIVORCE DESIGNATIONS:

CREDS

(Certified Real Estate Divorce
Specialist)

CDREP

(Certified Divorce Real Estate
Professional)

1. Know your real bottom line.

Put your numbers in writing so you won't make mistakes or sugarcoat things. It's hard to argue when the facts are in black and white. Our minds unconsciously focus on any facts that support our desired outcomes so we can get what we want. It's called confirmation bias, and it sounds like the little voice in our heads that usually says things like, "I can't afford it but, it makes sense to keep the house so the kids can stay in the same school district."

If you want to keep the house, your brain can focus on the evidence that supports your belief that you can afford to keep it and ignore or minimize contrary data.

When you know your real bottom line, it's easier to make sound financial decisions despite any heightened emotions.

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SELL THE HOUSE: Know what you will net or owe. You need to crunch the numbers. All of the numbers -- sales commissions, transfer taxes and fees, staging costs, moving costs, capital gains taxes, etc. We can help you with this!



2. Hire a certified divorce financial adviser and/or CPA to run and rerun the numbers to calculate your real bottom line.

Ask your financial advisor to explain the tax consequences of selling or keeping your home. Common questions include whether you should defer the sale of your home, if you should sell during or after the divorce or legal separation, or if there are any legal ways to reduce your tax bills and any tax liabilities you may face if your house is underwater.

Regardless of whether you want to sell or keep the house, listen and weigh the experts opinions. Getting expert advice is especially important if your spouse managed the finances or you're not a numbers person. There's no shame in either case.

The most important thing is getting sound advice and using it during the decision-making process. If we can introduce you to any of these professionals, please let us know.

3. If you are leaning toward keeping the house ask yourself these questions:

- What does the house represent to you?
- Home is a refuge from the world, and for many, it is an extension of themselves and their lives. It is the place the children grew up, where you spent happier days, an embodiment of what your marriage should have been. But are those good reasons to keep the home?
- Make a list of each of the benefits of living in the house, then for each one ask yourself what feeling that gives you, and where else could you live to get a similar feeling? For example, some people like the fact that their house is set off from the street. It makes them feel safe and private. But they could feel equally safe in a gated community and the same privacy if they had shutters on the windows, or even thick drapes. Bit by bit, this exercise will help you identify what is important to you and open up to possibilities other than keeping the house.
- Is keeping the home aligned with who you are and what you value?
- Have you spoken with a mortgage lender who specializes in divorce to determine if you are qualified to assume or refinance the mortgage?
- Will you deplete your retirement, savings, investments, and/or emergency funds if you keep the house?
- Will your monthly income, excluding child support and modifiable spousal support, cover all of your expenses if you keep the house?
- Worried that selling the home might adversely affect the child? Explore options such as moving to another home in the same school district so they don't have to change schools etc.



- Do you have assets you can easily liquidate in case of emergency?
- Do you have savings equal to one year of your living expenses?
- Could you be easily and quickly reemployed if you unexpectedly lost your job?
- Do you want to keep this specific house or do you just want a home?
- Is keeping the house practical for your life style?
- Does/will your spouse object to you keeping the home?

4. If you are leaning toward selling the house ask yourself these questions:

- Should you move out of your home once it's listed for sale?
- Will you stage your house with furniture and items brought into the home by a staging company and how much will it cost?

- Have you spoken with real estate consultants who specialize in divorce real estate transactions and provide representation to both spouses?
- Who will pay the ongoing expenses for the house while it's for sale?
- How will the net proceeds be divided?
- What are the tax consequences of a sale?
- What are your risks to deferring the sale?
- How will you and your spouse handle any disagreements about the sale of the house while it is on the market?

5. Is it worth the fight?

If your spouse is determined on keeping or selling your house do you *really* want to fight for the opposite outcome? If you are fighting about the house are your arguments logical and rooted in fact? It's easy to get attached to houses, especially dream houses, but it isn't always worthwhile to fight to keep it.





WHAT TO DO WITH THE HOUSE IN A DIVORCE?

