

# SELLERS



# **5 Key Items To Minimize Unpleasant Surprises When Selling Your Home**

- 1. Independent appraisal...**by a licensed appraiser.
  
- 2. Preliminary title report...**will inform a homeowner of any liens that might be on the property.
  
- 3. Inspection by local municipal building inspector(s)...**to advise of any building code or zoning violations.
  
- 4. Home Inspection...**having a licensed home inspector complete a professional home inspection will assist you, the homeowner, in making sure all mechanical systems are in good working order. A home in good working order will sell faster than a home in need of repairs.
  
- 5. Plat of survey...** will notify a homeowner and prospective buyer of the actual lot lines of the property and will indicate any encroachments to the property.



# 6 Truths About Today's Marketplace That Every Home Seller Needs To Know

- Truth #1:** Buyers buy after “shopping around”. In their search for the best buy they are comparing your property to the others currently on the market.
- Truth #2:** Sellers control the pricing and saleability of their homes but buyers control VALUE. A property is worth what the market (buyers) will pay.
- Truth #3:** If a property sits on the market for more than a few weeks it gets shop worn (stale... like an old donut). Price it right in the beginning while it is fresh and buyer interest is at its peak.
- Truth #4:** Most properties must be sold three (3) times...
- First...to the real estate agents who have the buyers. If they don't see it as a decent value, they may not show it.
  - Second... to the buyers. If they don't see it as an attractive offering, they'll look elsewhere.
  - Third... to the lender who will make the loan and the lender's appraiser. If this group doesn't see the value... no loan.
- Truth #5:** What it means if...
- No showings: Agents don't see your offering as worthy of showing to their buyers. Or, buyers themselves aren't interested enough to look.
  - No Offers: Buyers don't see enough value to even negotiate or try to buy.
- Truth #6:** Overpriced properties actually help well-priced properties sell.



# 7 Questions A Seller Should Ask Agents Prior To Making Their Agent Selection

- 1. What are your company's resources, support staff and network affiliation?
- 2. What is your company's history and track record in helping sellers? (ex: How many sellers did your company serve last year?)
- 3. What checklists and systems does the agent have to help you, the seller, stay on track?
- 4. Does the agent have information to help buyers find a lender, including "**Home Loan Application Checklist**" and "**14 General Questions To Ask Every Lender**"?
- 5. Is the agent offering you a choice between customer and client level service?
- 6. Is the agent offering traditional level service only or do they have an upgraded home marketing system?
- 7. Does your agent appear trustworthy, caring and committed to helping you reach your goals?



# **7 Steps To “Safe Selling” That Every Home Seller Should Consider**

- 1. Do an honest, detailed "Seller's Disclosure". Check with your agent and/or attorney for details.
  
- 2. Offer a “Home Warranty/Protection Plan” to the buyer of your property. See "**Home Warranty Policy Checklist... For Sellers**".
  
- 3. Remove valuable personal property like jewelry, etc. before allowing your home to be shown.
  
- 4. Have a lock-box system placed on or by the front door. If this is not possible, have some other system to track who shows the property.
  
- 5. Have all necessary inspections that can be done before buyers look at your property. Examples include, but are not limited to building codes, municipality inspections, title work, etc. This lessens the chance of you losing a buyer due to a surprise after accepting a contract. See "**The 8 Interior Items That Buyers REALLY Notice**".
  
- 6. Never show your property to someone who hasn't been properly pre-qualified.
  
- 7. Hire a real estate agent/company or real estate attorney to represent and guide you through the many details of the home selling process. See "**7 Questions A Seller Should Ask Agents Prior To Making Their Agent Selection**".



# **8 Critical Issues To Consider When Negotiating The Sale Of Your Home**

- 1. Is the buyer qualified...ready, willing and able?
  
- 2. How long has your property been on the market?
  
- 3. Given the market conditions, how attractive is the offer?
  
- 4. Does their offer “as is” allow you to meet your original set of goals and timetable?
  
- 5. Where, if anywhere, are you able to compromise?
  
- 6. If you counter their offer, you’ve bought the property back on those same terms and conditions. Are you willing to risk the buyer “walking”?
  
- 7. Make a list of the strengths and weaknesses of the offer.
  
- 8. Considering the terms and conditions of the offer, is this offer in your best interest both emotionally and financially?



## 12 "Don'ts" Every Home Seller Should Know...

- 1. Don't overprice your home. It will cost YOU money!
- 2. Don't be surprised if the first offer on your property is the best offer you receive.
- 3. Don't let your property sit on the market too long before making a significant change in *price* (or it will get stale). See "**Updated X-Rays Concerning The Value Of Your Home**".
- 4. Don't think all real estate agents and companies are created equal...they are NOT. Find an agent/company with a great track record and proven home marketing system.
- 5. Don't list with a real estate agent just because they charge the least or the most. Look for the best VALUE. Consider the company's track record with sellers & buyers.
- 6. Don't look just at the price the buyer offers. Analyze the total package including buyer qualifications, contingencies, closing dates, etc.
- 7. Don't forget buyers will shop around looking for the best buy. You are in competition with other sellers for your buyer's attention.
- 8. Don't forget that if real estate agents don't see your property as a good value, they will take their buyers elsewhere.
- 9. Don't believe those who tell you newspaper ads sell homes. You need a COMPREHENSIVE marketing plan tailored to your property and your needs.
- 10. Don't make it difficult for agents and buyers to see your home. Buyers want to look at their convenience.
- 11. Don't overlook the value of MERCHANDISING your home... make it look its VERY BEST!
- 12. Don't forget that you control the pricing of your home, how it looks and the overall marketing plan. But it is the BUYERS who control value. If buyers won't pay your price, the house remains yours.



# Looking For An Agent?

## 15 Questions To Ask

- 1. How long have you been selling real estate?
- 2. What professional real estate designations do you have?
- 3. Are you actively involved in your local Board of Realtors?
- 4. How many homes have you sold in the past year?
- 5. What is your average listing price?
- 6. What is your average list price to sale price ratio?
- 7. How many homes have you sold in my area?
- 8. What is the average length of time your listings are on the market?
- 9. What specifically will you do to cause my home to sell?
- 10. May I see a copy of your marketing plan?
- 11. What are you willing to spend to market my home?
- 12. What specific procedure will you follow to help establish a price for our home?
- 13. What will you do to keep us informed regarding any changes in the market that may impact our price and terms?
- 14. How often can we expect to hear from you once we have given you the listing on our home?
- 15. May I see your professional service brochure and/or resume?





# **18 Service Providers You Should Consider Using During The Home Selling Process**

- 1 Real Estate Agent
- 2 Home Inspector
- 3 Mortgage Loan Officer
- 4 Environmental Specialists
- 5 Radon Gas Expert
- 6 Lead Paint Test and Inspector
- 7 Well, Septic/Sanitary Systems Inspector
- 8 Building Inspector
- 9 Zoning Inspector
- 10 Soil Testing Expert
- 11 Flood Plain Inspector
- 12 Termite/Pest Control Company
- 13 Surveyor
- 14 Property Appraiser
- 15 Insurance Salesperson
- 16 Attorney
- 17 Title Company
- 18 Moving Company



# **23 Items To Consider When Selecting A Contractor Or Home Remodeler**

- 1. Shop around...don't rush into choosing a contractor
- 2. Get references from friends, neighbors & family who may have had similar work completed
- 3. Get at least three written estimates for the identical work so that you can compare bids
- 4. Get references from the contractors so you can check on their work
- 5. Call your local municipality and check if there have been any complaints against any of the companies you might consider for your remodeling
- 6. After you have made a choice of contractor, don't let work begin without a signed contract. Be sure to seriously consider having an attorney review prior to signing
- 7. Be wary of signing a "letter or agreement" or even a contractor bid form—this might be a binding contract
- 8. Be sure to specify what is to be done and when work is to be completed

## **Make sure the contract contains:**

- 9. Who will do the work
- 10. When the work is to be completed
- 11. A detailed list of specific materials to be used
- 12. The appliances &/or fixtures to be supplied
- 13. The dates for beginning and completing the job
- 14. Monetary penalties for non-completion of project on time
- 15. A provision for the clean up of the premises
- 16. Don't sign a contract that reads "work as per agreement"
- 17. Specify that contractor will obtain all necessary licenses and permits
- 18. Specify contractor will meet all zoning regulations & building codes
- 19. Be sure contractor will indemnify you in case of not meeting all regulations
- 20. Be sure that the contract states the contractor is responsible for any damages to your property
- 21. If contractor guarantees the work, be sure it specifically states what is guaranteed and for how long
- 22. Contract should state when payment is due. Never pay full price in advance; link payments to certain stages of completion of the entire job
- 23. Final payment and the signing of any completion certificate should only take place when the work is completed to your satisfaction



# **12+ Sets Of Rules And Regulations Every Home Seller Should Be Aware Of Before Selling**

- 1** Seller Disclosure Laws
- 2** Lead Base Paint Disclosure
- 3** Federal Fair Housing Laws
- 4** State and Local Housing Laws
- 5** Laws Regulating Advertising and Marketing
- 6** Real Estate Contract Law
- 7** Zoning and Local Ordinance Laws
- 8** Occupancy Laws
- 9** Building Code Laws
- 10** Environmental Rules and Regulations
- 11** Stigmatized Property Laws
- 12** Governmental Rights and Real Property Laws
- +** Other rules and regulations impacting the buying & selling of real estate in your area



# Are You A “Serious Seller”?\*

## Take This Quick Quiz To Find Out

By answering the following three questions you will have a better idea if you are truly a serious seller. “Serious sellers” tend to net the most amount of money at closing, have the least amount of hassles and get their desired results in the shortest period of time.

- Question #1:** Why are you moving?  
The more compelling your reasons, the more realistic you are apt to be about the realities of your marketplace.
  
- Question #2:** What is your timetable for making the move?  
Most sellers don’t get realistic about the realities of the marketplace until time is of the essence.
  
- Question #3:** Are you committed to move?  
If you are not committed to moving within your stated time frame, you are likely to neglect doing the “little things” that would cause a top dollar - no hassle - timely sale.

\* Remember, buyers are objective about price and value. They are shopping for the “best deal”. Serious sellers know this and respond by objectively pricing and marketing their homes.



# Caution *ALL* Home Sellers...Avoid Taking Advice From People Who...

(Our TOP 10 List Of People Whose Advice You Should Avoid When Selling Your Home)

Avoid People Who:

- 1 Don't know YOUR marketplace.
- 2 Haven't taken time to thoroughly inspect your property.
- 3 Don't know your circumstances in DETAIL... goals, timetable, motivation, etc.
- 4 Like or love you but don't approach your situation objectively or knowledgeably.
- 5 Will tell you what you want to hear but don't have the facts or data that would help you make a more realistic decision.
- 6 Will always have a better DEAL you could have or should have gotten.
- 7 Talk too much...but never seem to listen. If one doesn't really know your problem, how can they have the BEST solution?
- 8 Always bad-mouth others but bring nothing concrete to the table themselves.
- 9 Can't show you a logical, detailed action plan that addresses your situation.
- 10 Have no proven track record for results comparable to those you want or need.



# For Serious Sellers Only

## The “Top Dollar, Timely Sale, No Hassle” Plan

### (5 Simple Steps)

If you want...

- Top Dollar
- A Timely Sale
- No Hassles Like:
  - Keeping your house clean and tidy for days, weeks, or months
  - Numerous interruptions in your life for “showing appointments”

... this plan is your DREAM COME TRUE. Simply follow the 5 steps below:

- Step 1. Price your house at the lower end of your property’s realistic range of value.
- Step 2. Market your house for two (2) weeks before ANYONE is allowed to view it. No one may see it until your open house.
- Step 3. Get your house “market ready” during those two weeks. See "**13 Ways To Prepare Your Home For Showing**".
- Step 4. Get your house “open house ready” the day before and the day of your open house. See "**16 Steps To Get Ready For Your Open House**".
- Step 5. Get ready for offers (potentially multiple) the day of your open house. See "**8 Critical Issues To Consider When Negotiating The Sale Of Your Home**".



# Home Warranty Policy Checklist...For Sellers

A **Home Warranty Policy** can protect against costly repair expenses. For a seller, a protection plan may offer a competitive edge over the competition in the current marketplace. The Home Warranty Policy offers protection during the initial listing period and for one year after the sale of your home. For buyers, the typical home warranty may eliminate concerns about unexpected repair costs and may also add confidence to the buying decision. Make sure to evaluate each protection policy as the terms and conditions vary from policy to policy, company to company. The items most often covered in a Home Warranty Policy are as follows:

- Plumbing System
- Well Pump
- Water Heater
- Electrical System
- Central Vacuum System
- Ceiling Fans
- Dishwasher
- Garbage Disposal
- Built-in Microwave
- Range/Oven/Cooktop
- Trash Compactor
- Heating System
- Ductwork

Optional coverage may include:

- Central Air Conditioning
- Swimming Pool
- Spa
- Built-in Swimming Pool
- Refrigerator
- Washer/Dryer



# How To Read Today's Market!

## 3 Simple Steps To Discovering Your Property's Market Value

**(Warning...Don't Skip Any Of These Steps!)**

- Step 1.** You must be objective. Take off your seller's hat and put on the hat of an impartial analyst. Look at your property through the eyes of the buyer.
  
- Step 2.** Look at the following general market data:
  - ✓ The local, state and national economic picture with emphasis on the employment and population growth
  - ✓ Interest rates
  - ✓ Housing supply/demand for the community and for your specific neighborhood
  - ✓ How quickly are properties selling
  
- Step 3.** Compare your property to comparable properties in the following four categories to appraise how yours objectively stacks up:
  - ✓ Current competitive listings
  - ✓ Current competitive properties under contract or waiting to close
  - ✓ Recent competitive "SOLDS" (past 24 months with special emphasis on the last 6 months)
  - ✓ Properties that failed to sell in the past 12 months





# Seller's Net: How Much Money Will Go Into Your Pocket?

The costs associated with selling your home typically include the following items:

1. Mortgage payoff	\$
2. Interest payment from the day of closing until the payment reaches the lender	\$
3. Pro-ration of real estate taxes	\$
4. Closing fees charged by the closing company	\$
5. Title policy fees	\$
6. Survey charge	\$
7. Brokerage compensation	\$
8. Other	\$

Sales Price \$ \_\_\_\_\_  
— Total fees \$ \_\_\_\_\_  
  
Net to you \$ \_\_\_\_\_



# Stop...Look...Listen...

## A Warning To ALL Home Sellers

### 5 Of The Top Reasons Why Buyers Pick The House They Do

- 1. **Price**  
... believe it or not PRICE ranks higher than location in most studies on this issue\*
- 2. **Neighborhood**  
... pride of ownership, homogeneity of the area, physical attractiveness of the streets, etc.
- 3. **Schools**  
... highly rated and diversity of schools adds to the overall market demand for area...especially for home buyers with school age children
- 4. **Work**  
... proximity to, diversity of and overall stability of jobs
- 5. **Shopping**  
... people shop out of both need and desire

\* Of the above mentioned items, you as a seller have control over only one...PRICE... so price it right from the start while it is fresh to the market.



# **3 Major Tax Issues Every Seller Of Real Estate Needs To Know**

1. Increase in the exclusion from capital gains tax on the sale of a principle residence from \$125,000 in capital gains to \$500,000 for filing joint taxpayers (\$250,000 exclusion of profit for single taxpayer). This exclusion can occur every 2 years. The repetitive ability is a great opportunity to buy and sell a principle residence and either move up or buy down. There is no age restriction on who is eligible for this exemption.
2. First-time homebuyer incentives:
  - Save income in a tax-deferred IRA account with the purpose of saving for a down payment and withdraw down payment at any time without penalties for early withdrawal.
  - Parents can save money in a tax-exempt savings account for the purpose of assisting children with a down payment for housing.
3. Investments in real estate
4. Reduction in capital gains tax rate from 28% to 20%. This will increase the profitability of a real estate holding.

\* For these or any other tax law issues be sure to contact your accountant or tax advisor for further information and details.



# Have I REALLY Sold My House?

## 6 Essential Elements That Most Real Estate Contracts Must Have To Be Valid And Enforceable

- 1. Competent parties—must be at least 2 parties to any contract
- 2. Names and signatures of all parties to the contract
- 3. Consideration—such as a promise to pay money
- 4. Must be in writing—except for leases of one year or less
- 5. Address of property
- 6. Meeting of the minds—an unqualified acceptance of the offer so that the seller clearly understands the terms of the buyer's offer and the buyer clearly understands the performance required and the timing of the obligations

\*In most instances, the parties involved in a real estate transaction would be best advised to seek the services of an experienced real estate attorney to review an agreement to purchase.



# Seller Goal Worksheet

## Price Range

From: \$ \_\_\_\_\_

To: \$ \_\_\_\_\_

**Time Frame:**     30 - 90 days

90 days

**Start Date:**     90 - 180 days

\_\_\_\_\_     180+ days

## Sale Price

What does the seller need to net?

\$ \_\_\_\_\_

## Cost to remain in the present house

Monthly payment: \$ \_\_\_\_\_

Portion of payment that is interest: \$ \_\_\_\_\_

## AFTER AN OFFER IS RECEIVED:

What are the buyer's qualifications?

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Other important considerations about the offer:

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