

# How to Sell Your Home

## #1 Listing Your Home

Listing your home with a Real Estate professional is the first step on the path to a successful closing. Possessing a wealth of knowledge about our local neighborhoods and suburbs, your real estate agent is well prepared to assist you from beginning to end, helping you feel at ease throughout the selling process.

To start, your agent will suggest specific improvements and modifications to enhance your home's salability, create a customized marketing plan that best highlights your property's features in the current market and present you with a Competitive Market Analysis (CMA), which helps determine the best listing price and probable sales price.

## #2 Your Customized Marketing Plan

Marketing real estate has evolved over the last several years. Your Real Estate agent will work behind-the-scenes to ensure that your home is visible to potential buyers in a variety of ways. Upon listing your home, it will be entered into the local Multiple Listing Service (MLS), placed on the company website and on several local and national websites. The Internet, social media and several real estate websites put your home in the public eye much more than in years past.

Your agent will also use some tried and true methods to sell your home at the best price and in the optimum length of time. Making phone calls, contacting potential buyers, alerting other area agents, planning open houses and following up with respondents to ads, signs and inquiries from the web all play a part in marketing your home. A unique marketing plan will help set apart your home from the others in your market, drawing in potential buyers.

## #3 Pricing Your Home to Sell

Establishing the list price that will attract the most buyers at the best price is the first step in developing a marketing plan. You want your home at a listing price that is not too low or too high, but just right, based on numbers and facts. When a home is priced too low, you will not maximize your profit, and buyers may perceive that something is wrong with it. However, if the price is too high, buyers may avoid viewing your home because it's not in their price range. Interestingly enough, asking too much might ultimately be more costly than asking too little for a property.

Your Real Estate agent will prepare a Comparative Market Analysis by analyzing the prices of homes that have recently sold and that are similar to yours in size, features and location. A review of homes that are currently listed for sale will help your agent to assess the competition. Your agent's knowledge of

current trends in the market is the final determinant of your home's listing price. Make sure to ask your agent about any issues or situations unique to your home that could help it sell.

Several factors go into establishing the selling price of your home:

**Location, Location, Location.** This familiar adage is well known for a reason. The location of your home is the foremost contributing factor in its pricing. A small house in a desirable, high-demand area may sell for more than a larger home with more features in a less sought after area. Convenience to schools, town centers, retail areas and recreation, for example, may affect the final selling price of your home.

**Condition.** The condition of your home is critical in determining price. A well-maintained, clean home will present better than one with much-needed outstanding repairs. Curb appeal, or a buyer's first impression of your home's exterior and landscaping, may determine whether or not a showing is successful.

**Amenities.** A home that has features that are sought after in your area will dictate a higher price.

**Price Per Square Foot.** The average price per square foot may be taken into consideration when pricing a home, but it is not a sure-fire method. Since many formulas exist to calculate square footage, ask your real estate agent about the most common method used in your neighborhood.

**Home Warranty.** A Home Protection Plan that protects a buyer during the first year of home ownership may add salability to your home.

#### **#4 Preparing Your Home for the Market**

The next step in selling your home is to prepare it for showings. First impressions count. You want to allow potential buyers the opportunity to envision themselves living in your home.

Talk to your Real Estate agent about specifics pertaining to your home. Some general guidelines do exist.

**Cleanliness.** A clean home will impress. Aside from the obvious—making sure that your home, including the yard, is orderly and clean—remove all clutter and unneeded items that take away from your home's best features.

**Paint.** Freshly painted walls and décor in a neutral shade can go a long way to enhance the overall appearance of your home.

**Curb Appeal.** Take an objective look at your home's curb appeal and make adjustments as needed.

**Odors.** If you have pets, make sure to eliminate damage or odor associated with them. And, be aware that if you smoke in your home, the lingering smell can turn buyers away.

#### **#5 Showings**

You may love your home and have many happy memories associated with it. Perhaps you have lived there for several years and raised your family in it. Sellers most often have emotional attachments to their homes. Though you may feel that you are the most qualified to show a buyer your home, your real estate agent will advise you to leave the home while it is being showed. To ensure the best showing

possible, make your home inviting and welcoming by creating mood lighting, adjusting the temperature and adding decorative touches.

## **#6 Negotiating the Purchase Price**

Your patience and hard work has paid off—your agent has informed you of an offer on your home. You can count on your Agency Real Estate agent's expertise again—this time in the art of negotiation. Your agent will guide you toward arriving at a price that both you and your buyer agree upon. A formal contract—written by the buyer's agent and signed by the buyer—will be submitted to you for review and consideration.

As the seller, you can help facilitate moving the offer to a final sales agreement. Remove any emotion on your side from the negotiating table. If you are truly motivated to sell, allow your agent to negotiate on your behalf and move things in the right direction—often that means one or more counteroffers. Compromise is vital. You want to arrive at a fair price where all parties are happy.

## **#7 The Home Inspection**

Once you and the buyer have agreed upon price, you are ready for a formal inspection of your home to detect defects or problems. Typically, a clause in the sales contract states that the offer is contingent upon a home inspection. A home inspection typically takes between 2-4 hours depending upon the size of the home and the number of rooms, features and amenities. Your home will be evaluated from the foundation to the rooftop and will include, where appropriate, the functionality of the heating and air conditioning systems, electrical, plumbing and all appliances. The inspector will look at the home's structure including the foundation, basement, roof, chimney, walls, doors and windows.

A thorough home inspection can also be an excellent pre-sale tool, giving you the opportunity to resolve issues prior to listing your home. A professional home inspection report available to buyers could expedite the receipt of offers as well as decrease the timing of the sale from offer to closing. Known factors made available that relate to the home's condition could help to make a buyer more comfortable. While the inspection may not uncover every single flaw in the home—particularly those that are not visible or are inaccessible—it does address a range of concerns.

To start, the report enables you, as the seller, to explain any defects to the buyer. Some sellers elect to repair just a few or none of the defects reported in the formal inspection. However, honestly stating the defects to the buyer will help to eliminate any objections that could arise during the sale process. Because your agent is able to explain how the listing price takes into consideration the estimated cost of any needed repairs or improvements, the negotiation time is typically abbreviated. And finally, since state real estate laws require that homeowners and their agents comply with full-disclosure, liability for any defect or withheld facts is less likely to occur.

If you do not know of a qualified inspection company, ask your Agency Real Estate professional for a referral. The inspector should be able to provide you with a sample report to show that they follow industry standards. Note that the job of the inspector is to simply inspect, not to repair or to refer clients to repair companies, which could result in a conflict of interest.

When you schedule your appointment with the home inspection company, inform them that you will be present throughout the inspection process. Inspection companies encourage and welcome your presence. This is the time to ask and share any issues that are of concern to you. In-person explanations will help you to understand the report, which can be fairly complex and lengthy—a thorough home inspection may cover as many as 1000-plus items.

## **#8 The Closing**

The day has arrived for the final step in selling your home—the closing. The closing, also known as the settlement or escrow, in simplest terms is when money is taken in from the buyer and paid out to the seller. The closing can take place in person or by mail and is handled by the real estate company or a title company.

The buyer's title and mortgage liens are legally recorded in local municipalities. The paperwork, which by this time has been formally reviewed by all involved parties—the buyers and sellers, agents, lenders, attorneys and title companies—details specifics of the sales agreement. In addition the paperwork enables all parties to verify their interests in the transaction.

The sales agreement details the payments and credits that are due to the seller and the payments and dollar amounts due from the buyer. Details include transaction costs such as title and tax searches, and adjustments, if applicable, such as prepaid taxes.

**Closing Documents.** Your agent will help you with the final documentation needed at the closing of your home.

**Mortgage.** The mortgage loan is a legal document that pledges a property to the lender as security for payment of the debt. The mortgage loan is recorded in public records.

**Deed.** This legal document conveys title of a property and is recorded in public records.

**Homeowners' Insurance Policy.** Lenders require a homeowner's insurance policy, which is a type of property insurance that covers the home. It protects against losses occurring to one's home and its contents, loss of use or loss of the homeowner's personal possessions. In addition, it covers liability for accidents that may happen at the home or may be caused by the homeowner at the home. Typically a seller must keep the property insured prior to the closing so that the buyer's interests are protected.

**Title Insurance Policy and Certificate of Title.** The title search process ensures that the title is clear and stands without judgments, liens or attachments. Once the title is deemed clear and any unpaid taxes, assessments or other issues have been resolved, a title insurance policy will be issued by the title company. The policy insures that the buyer is protected against potential losses that could result from property ownership disputes. A certificate of title will be issued to the lender and to the buyer.

Property Tax Bill. A copy of the property tax bill is typically provided to the buyer by the seller. Or, a copy of the tax bill can be requested from the municipality's government. State or local transfer taxes are payable when title passes from the seller to the buyer.

Water and Sewer Bills. If your home uses municipal water and sewer, proof of payment is often required for the closing.

Utilities Records. Check with your gas, electric or other service provider to find out how they handle requests for final readings and changeovers for the new owners. Each utility provider has different procedures.

Warranties, Service Records and Referrals. Any information that you are able to supply to the buyer about your home will be helpful and appreciated. Copies of home maintenance records or names of people and companies that provided service will assist the buyer immensely should problems arise down the road. The referral of such service people as a plumber or electrician that is familiar with your home can be helpful, especially if your buyer is new to the area.

Surveys and Plot Plans. You will need to provide an up-to-date survey for the closing. Typically a current plot plan is available at the town or city hall for a small fee.

## **#9 The Move**

You will begin to prepare for moving day prior to the closing. The date of possession will be in your sales contract. Make sure to coordinate the date and time of your move with the buyer if the move falls on the same day. No matter how many times you have done it, moving is never easy. However, you can take certain organizational measures to ensure that your move is as smooth as possible.

Prior to moving, create a simple record-keeping system with a checklist and a schedule. The more prepared you are, the fewer surprises await you on moving day, so stay on schedule. A short to-do list might include:

- Hire movers
- Find storage
- Get moving supplies
- Pack ahead of time
- Safeguard valuables
- Transfer utilities, cable and phone
- Notify post office
- Take care of change of address notifications
- Clean both homes
- Re-key doors in new home

You can always count on your Real Estate agent to assist you with any questions or recommendations of reliable professionals.