

The Guide to Selling Your Home In 2002

SOLD

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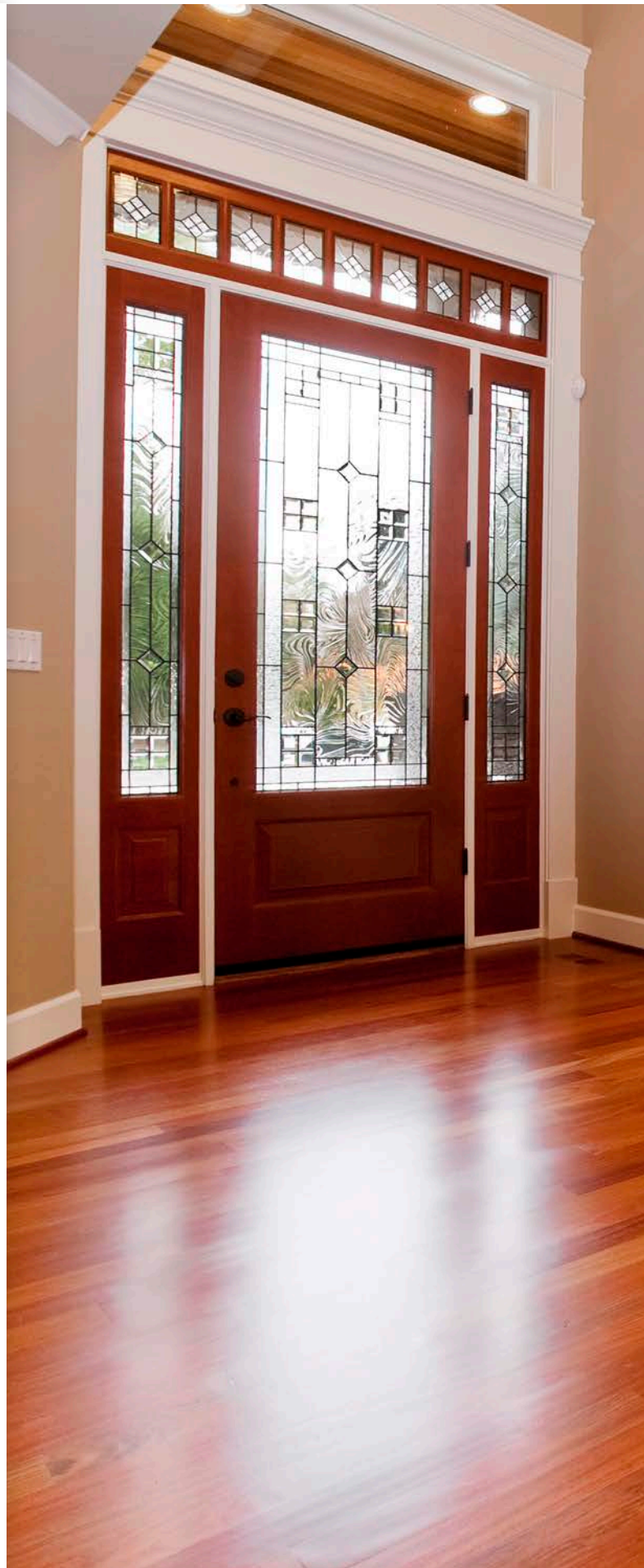
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Welcome!

Maybe you're trying to upgrade to a larger house for your growing family. Maybe you're trying to find a smaller home that's easier to maintain as you head into retirement, or perhaps you're just trying to capitalize on a favorable housing market. Whatever the reason for selling your home, it is a big decision.

Like with most decisions, it helps to have some guidance. Over the following pages, we'll explore the process of selling your home together. Along the way, you will learn helpful tips for each step of the journey from preparation to closing. As you read, please do not hesitate to reach out with questions about your specific situation at the contact details included. Let's get started!

1 Getting Your Home Ready to Sell

A successful home sale starts long before placing your home on the market. The right preparation can raise the value of your home and make it more attractive to potential buyers. It can also help the closing process run smoother once you do find a buyer.

First things first, make sure to set aside money to prep your home. From storage units to cleaning crews, selling your home may cost you in the short term, but will be made up in the end. Here are a few things you can take care of that will make selling your home easier and help you get the most money for your home.

Rent a Storage Unit

Before you do anything, now is the time to find a storage unit. Make sure it is big enough to fit all the furniture and items you don't need to sell your home.

Decluttering is a huge part of selling your home so be ready to shift things out. You want buyers to be able to imagine themselves living in the home, so leave just the essentials you need.

Cleaning

You need to clean your home before showing it to any potential buyer. Everything should be moved out of the way and washed.

Make your home smell fresh and clean by wiping the walls, doors, and cabinets down with your favorite cleaner. Not only will it ensure your home can be as presentable as possible, but it will keep the smell for weeks.

Here are a few other cleaning tasks that will need to be done prior to listing your home for sale:



Deep clean carpets. If you do not own a carpet cleaner of your own you can rent one from many grocery stores or hire professionals.

Dust. Don't forget to clean dust from places like ceiling fans, mantels, and window blinds.

Dishwasher. Run an empty cycle with a dishwasher cleaner to remove odors and wipe down exterior surfaces.

Organize Kitchen pantries, cabinets, and drawers.

A well-organized kitchen will make storage spaces appear more roomy and impress potential buyers.

Clean and seal grout. If you have tile, you know that grout is a magnet for grime and dirt. Use small bristle brush and grout cleaner to get rid of build-up before sealing.

If you are low on time, hiring a cleaning company is a great way to ensure your home is spotless. Make sure to move out any clutter before the company comes for a better clean.

Repairs

Repairs will be a huge part of getting your home ready to go on the market. Grab a handyman's number and make a list of all the repairs you have been putting off. Leaky sinks, holes in the walls, and even creaky doors need to be fixed. It might cost you a little upfront, but it will bring in higher bids and a better inspection.

Even if you are unable to make all of the needed repairs, you will still be legally responsible for disclosing any repairs prior to closing. So it's best to prepare early.

Painting

Speaking of walls, every room should be painted before placing your home on the market. Pick up-to-date light neutrals to go over some of the more "fun" colors you may have had in your home before. Not only will this help freshen and update your home, but it will make it feel cleaner and brighter too.

Lawn and Garden

Potential buyers begin forming an impression before they even set foot in your home. You can add curb appeal by regularly mowing your lawn and trimming any bushes. Clear leaves from outdoor spaces for a neat and tidy appearance.

Also consider adding some landscaping. Studies show that a well-landscaped yard can increase a home's value by up to 15%, but always be sure to have an overall plan before you start adding plants. A disjointed and disorganized yard can detract from your home's value, so be intentional with your improvements.

Pools

Any home that has a pool needs work before going on the market. You want buyers to see the home in the best light, meaning your pool needs to be in working order. Make sure to skim it of leaves and debris and take out any pool toys. If your pool needs any professional maintenance, have it done before putting the house on the market. Your future buyers will be more likely to bid higher when they don't have pool maintenance to put on the list.



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Choosing an Agent

Whether this is your first time selling or you are a seasoned homeowner, you should spend some time finding the best real estate agent for you. While family and friends can offer some helpful recommendations, you need to do your homework, too. After all, you are the one who has to live with your decision!

Tools like the Real Estate Agent Directory can be a great place to start your search. First, visit myagentdirectory.com and click “Find an Agent” at the top of the page. From there, you can search by location or agent’s name. For instance, if you type my name you will be able to view my agent profile with a list of my experience and areas of expertise.

What To Look For In an Agent

A good real estate agent will be your advocate during the hectic home selling process. A poor real estate agent not only makes your sale take longer, but their incompetence will cost you time and money in the long run.

When considering agents, start by investigating their qualifications. Real estate agents are required to have a license in the states where they work, and any agent should be able to provide you with their license number. Agents must have continuous training, too, so be sure to ask about the types of training they have received and if they have any specializations.

Experience should also be taken into account. This includes their experience in representing sellers, but other types of experience can be helpful, too. For instance, many agents have chosen real estate as a second career and bring with them special skills from their past occupations. These skills can be helpful as you conduct open houses, stage your home, negotiate offers, and so on.

Other Considerations

Aside from qualifications and experience, you should consider other factors, too. For instance, how well does the agent listen and communicate with you? Nothing is more frustrating than an agent who leaves you in the dark about the status of outstanding items. Even worse is an agent that doesn't understand your needs.

Your comfort level with the agent should be considered as well. You need to have an open and honest relationship with your agent to achieve your goals. Moreover, you could potentially spend a lot of time with your agent as you journey towards closing. The process will be much more pleasant if you like your agent!

How to Research an Agent

Now that you have an idea of what to look for in an agent, you need to know how to get the information you need. If you are using the Real Estate Agent Directory to find an agent, most agents will list their license number, social media pages, and a bit of info about themselves on their profile.

You can verify the agent's license status by searching on the state department of real estate website. You should be able to see information about disciplinary actions and other relevant info during your search, too.

Social media and review sites can also be helpful sources of information as well. For example, looking at their Facebook page lets you see how active and knowledgeable the agent is. Plus, you can observe how they interact with others through comments.

Google reviews can also shed some light on past client experiences. Just keep in mind that people tend to be more motivated to leave negative reviews. Take what others say with a grain of salt.

Listing Presentations

Once you have narrowed the field of potential candidates you will need to meet with those agents. Typically, the agent will collect some preliminary information about

you and your home. From there, they will prepare a listing presentation in which they discuss:

- Their qualifications
- Comparable listings in your area
- Potential listing price range
- Expected fees and commissions
- How they will market your home
- Other services they provide

Listing Contract

Once you find an agent that you feel comfortable working with, you will be asked to sign a listing contract. A listing contract commits you to list your home for sale with that agent's broker and allows the agent to seek buyers for your home. While every agreement differs, the listing contract should include:

- Asking Price
- Your responsibilities as the seller
- Your agent's responsibilities
- Exclusivity (most contracts grant the agent the exclusive right to sell your home)
- Broker fees
- Property description
- Personal property to be included in the sale
- Contract expiration (if your home does not sell before this time you are free to list with other agents)
- Procedures in case of a dispute

Some of these terms such as contract expiration and listing price will be negotiable. As you discuss the terms, remember to consider the trade-offs. For example, a discount real estate brokerage typically offers lower fees and commissions, but they will usually provide fewer services to market and sell your home.

3 Putting Your Home on the Market

Once you have signed a listing agreement, your home can finally be placed on the market. During this time, your agent will make arrangements to market your home, and they will facilitate showings with buyers and their agents.

If you are still living in the home, you will want to be extra vigilant about keeping your home tidy. You never know when your agent might call with a potential buyer. You should also plan for where pets will be during showings. The last thing you want is for potential buyers or your pet to get hurt while you are gone.

Staging Your Home

Staging your home is optional but, staging a home normally leads to more bids and more money for your home, so you should consider it. Tons of companies will stage your home for you, but just in case you want to go it alone here are some things to keep in mind.

Make your house welcoming. You want the entryway to invite people in. By staging the front porch and making the landing area clean and clutter free you invite buyers into the home.

Remove personalized items. Buyers should feel like they are walking into a home they could live in, not your house. Take down family photos and personalized items to make space for a buyer to see themselves. This is where the storage unit comes in handy.

Add some modern flair. You can often add a modern touch to the home with simple and inexpensive changes. Make sure the knobs and door handles are modern and



new, and if you can, replace any outdated lights. These small changes will help bring your home into this year.

Keep decor minimal. Decors around the home may seem like a good idea, but too much just creates clutter. A good rule is if it isn't necessary, it isn't needed. That goes with staging every room as well. If you are staging an empty home, only worry about the most important rooms. The master bedroom, living room, and kitchen sell a home, not spare bedrooms or craft rooms.

Speaking of craft rooms, if you are selling your home as a three-bedroom, make sure you have three bedrooms. That means changing that crafting room or home gym back into a bedroom. You want buyers to see what you are trying to sell, not how you currently live.

Open Houses

Open houses can be a make or break for selling your home. This is when buyers will come in and decide if they can see themselves living there. You will need to take a few steps to prepare.

Declutter. Make sure everything is put away and nothing takes up counter or floor space that shouldn't be. By this point, you should have cleaned your home top to bottom, but make sure to wipe things down just one more time, you don't want anything to slip by.

Check all the lights in the home. Replace any bulbs that aren't working before the open house. You want to have lots of light when buyers come into your home so make sure they all are working.

Clean bathrooms and remove personal items. The last thing you want the buyer to do is check out what kind of shampoo you use, so make sure the shower is cleaned out. If you can, switch your colored towels to new white ones. This makes your bathroom appear cleaner and brighter.

Secure your valuables. Open houses are open to anyone, and your agent may not be able to keep track of everyone. So make sure your valuables are safe before leaving your house.

Use wax melts or oil diffusers. This makes your home smell amazing for your open house. Make sure not to pick an overwhelming scent, fresh linen or citrus are a great choice.

Put all fans on low. This keeps air circulating throughout the house.

Make sure all the doors are open. People will need access to the various parts of your home and you will not be available to unlock them.

Clear the driveway. Remove anything from the driveway (including cars) to make sure buyers can fully see your home.

After prepping your home for an open house all you have to do is leave. Your real estate agent will take care of the rest. If you forget something, don't worry! Your agent will be there to make sure everything goes smoothly. Plan to be out of the house for anywhere ranging from a few hours to all day. After all, you don't want to rush the buyers.

Evaluating Offers

When a potential buyer submits an offer, their real estate agent will send your agent a draft purchase contract. A purchase contract is an agreement for the seller to sell the home to the buyer as long as certain conditions are met. Typically, purchase contracts include the following.

Party Information - This spells out who is making the agreement and how to contact them.

Property Details - This is a description of the property being sold including its location.

Purchase Price - This is how much the buyer agrees to pay for the property.

Financing - This part describes how the buyer will pay for the property whether through cash, a mortgage, or some other means.

Title Insurance Requirements - Title insurance protects buyers from possible ownership disputes. This can include liens on the property from unpaid loans or taxes. A lien is an ownership claim on a property by a third party that is used to secure a debt. This is the legal basis for foreclosure or repossession.



Property Taxes - The seller typically must disclose any property taxes that will be assessed on the property.

Contingencies - This includes conditions that must be met before the buyer will complete the purchase along with a time frame in which these will be completed. Common contingencies include:

- Repairs to be completed by the seller
- Home inspection
- Wood Damaging Organism (WDO) inspection
- Mortgage approval
- Sale of buyer's current home
- Appraisal

Included Fixtures and Appliances - Large fixtures and appliances such as ovens and refrigerators currently in the home can often be sold with the home. The purchase contract should identify which of the items will remain after closing.

Earnest Money - A buyer typically deposits between 1-3% of the purchase price into an escrow account to show they are serious about purchasing the home. Once the sale goes through, this money is applied to the down payment. If a buyer voluntarily backs out of the sale after a set date, the seller gets to keep the earnest money.

Timeline - Throughout the purchase agreement, various requirements will have due dates to keep the deal progressing towards closing. The agreement will also require the closing to happen by a certain date (usually 30-60 days after signing).

Less Common Purchase Agreement Terms

Other less common stipulations can also be included in purchase agreements, too. For instance, you may request a lease back option where the buyer agrees to lease the home back to you for a set time period to allow you to transition to a new home. Other optional terms might include:

Termination Clause - This clause allows the buyer to cancel the sale up to a certain date for a full or partial refund of their earnest money deposit.

Closing Cost Payment - Sellers can sometimes agree to pay some or all of the closing costs that the buyer would usually pay. In recent years, this practice has become less common as more buyers are competing for fewer homes.

“As-Is” Clause - This clause forces the buyer to buy the home as-is with no guarantees as to the state and condition of the home.

“Bump” Clause - This clause allows you to continue marketing the home in the lead-up to the closing. If a better offer comes through, you can demand the buyer forgo some parts of the contract. If the buyer declines, you can take the competing offer and refund their earnest money.

Escalation Clause - This clause allows the buyer to set a starting bid and a maximum bid. If you receive multiple offers, the purchase price will match the highest bidder up to the maximum amount set by the buyer.

Backup Offer - This allows others to submit a secondary offer on a home. If the original buyer is unable to complete the purchase, the backup offer would go into effect.

Preparing to Close

Once you agree to terms with the buyer, you both will sign the listing agreement, and the buyer’s earnest money will be deposited into an escrow account managed by a third-party. This escrow account will also be used at the closing to receive the buyer’s funds and distribute payments to the appropriate parties.

In the period before closing, you will need to fulfill any contingencies outlined in the purchase agreement. This includes working with the buyer’s inspectors and making any required repairs. You will also need to move your belongings out of the home, too (unless you have a lease back agreement in place).

A few days before the purchase contract expires a final closing date will be set. An extension can be signed if needed, but you should attempt to close on time. Prior to closing, the buyer will typically complete a final walkthrough to verify that all contingencies have been fulfilled.



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At the Closing Table

The closing is where the actual transfer of ownership will take place. Because large sums of money are exchanged, several people will attend to facilitate the transaction and legally witness the exchange.

Compared to the buyer, a seller's role in closings is fairly straightforward. While buyers often must sign a small mountain of paperwork, a seller will only need to sign a handful of documents including:

- **Closing Disclosure** - An outline of closing costs and which party will pay them
- **Bill of Sale** - A document that formally transfers ownership
- **Property Deed** - A document showing legal ownership of the property
- **Seller's Affidavit** - A notarized statement confirming you have the right to sell the home
- **Tax Declaration** - A document explaining how taxes on the property will be split between buyers and sellers.

Who Will Attend the Closing

Several people usually attend a closing on behalf of both the buyer and the seller. Along with the buyer and seller themselves, this includes:

- Real estate agents representing both parties
- A representative from the lender
- A notary public to serve as a legal witness
- Lawyers for either party (optional)
- A closing agent (typically a title company representative or lawyer)



The closing agent will normally run the proceedings and explain each step of the process as you go. In some cases, the closing agent will also serve as the notary public for transactions.

What Happens During the Closing?

Several important steps happen during the closing to officially transfer ownership of the home from the seller to the buyer. As discussed earlier, you will need to sign several documents on the day of closing.

Once documents are signed, the buyer (and her lender) will pay the agreed-upon sum into an escrow account. From there, the closing agent will arrange for closing costs and any outstanding loans to be paid. The remaining balance will be paid to you.

Who Pays What?

Depending on your purchase agreement, you may be responsible for some or even all of the closing costs. This can add up to as much as 10% of the purchase price. Common seller closing costs include:

- Title insurance and processing fees
- Attorney fees
- Transfer taxes and fees
- Escrow fees
- Property taxes
- Real estate agent commissions (for both buyer and listing agents)

In addition to these costs, you may pay for things like inspections and mortgage-related fees if you elect to pay for a buyer's closing costs.

Next Steps

Once the closing has finished, you will need to hand over keys, garage door openers, and access codes to the new owners. By this point, you should have already vacated the home unless a lease back agreement is in place

Any proceeds of the sale should be released to your bank account soon after closing. Remember to keep the paperwork from the sale, too. This information will likely be needed when filing income taxes.

And with those final steps, you have successfully sold your home! If you are ready to start the process of selling your home, please reach out so we can discuss how to achieve your goals together!