

HOME SELLING TIPS

If you are planning on selling your home it's probably because of job relocation or other change of lifestyle. That means that in addition to selling your current home you are also looking to buy your next home. With two transactions looming in your future you want to do everything you can to minimize delays and headaches in selling your current home. Below are some seller's tips to help you along.

Interview a Real Estate Professional – Questions You Should Ask:

- How long have they been in the real estate business?
- How long have they worked in your area?
- How many homes have they sold in the past year?
- What is their commission?
- How will they market your house?
- Will you be working directly with them or an assistant?
- Can they give you references?
- Can they get you a CMA (Comparative Market Analysis)? This will tell you what comparable homes in your area are selling for.
- Watch out for a too optimistic selling price for your home. It's not common but some agents will tell you what you want to hear just to get you to hire them. Over-pricing your home will seriously hurt its marketability, it'll take longer to sell and after wasting time waiting for it to sell you'll probably end up dropping the price to the level (if not lower) of the other estimates.
- You will be signing a listing contract with the real estate professional you choose, find out what the length of the contract is and the terms before you sign.

Pricing Your Home

- Start with a Comparative Market Analysis (CMA) to find out what similar homes in your area are selling for.
- Appliances and fixtures that stay with the home and those that you plan to take with you.
- The economic conditions in your area.
- The supply and demand conditions in the real estate market in your area.
- Note amenities your home has that others in your area don't.
- Evaluate the impact of your home's amenities. These could be negative, positive or neutral, a pool may be nice to have but there are maintenance and insurance issues that may concern potential buyers.
- Note amenities of your neighborhood and association fees to pay for these amenities.
- Area school rankings.
- Proximity to power lines or other utilities that may concern potential buyers.
- Any easements or right-of-ways on your property.
- The overall condition of your home and any repair or replacement issues.

Getting Your Home Ready To Sell

- Remove clutter and personal items from around the house. You want as much open space as possible, potential buyers will be making mental notes on where they'd put their belongings and if your home feels "claustrophobic" then they may feel it's too small for their needs. You remove personal items (photos, trophies, mementos, etc.) because as a potential buyer is thinking where their belongings would go you don't want them to feel as if they are displacing yours. Make your home neutral ground so that a visitor feels like they are viewing their future home and not trespassing on someone else's.
- Don't put clutter or personal belongings in drawers or closets, in fact clean out those areas as much as possible and put your stuff in storage. Visitors will be opening these areas and if they don't think there's enough room for your belongings then they won't think there's enough for theirs.
- Spend money on needed repairs but not on expensive remodeling. You won't recoup your investment and you don't want large purchases showing up on your credit cards when you go to apply for a loan on your next home.
- Does the carpeting need replacing or just professional cleaning? If it needs replacing then have inexpensive carpeting of a neutral color installed.
- Is the paint on your home (inside as well as outside) in good shape? If it's faded, peeling or an outdated color

then you should put on a fresh coat of paint that blends in with other homes in your neighborhood.

- Are there pet or cigarette odors in your home? If so then have then the carpeting and furniture cleaned or use carpet and furniture powders designed to control these odors. Be careful of strong scents such as potpourris since some people are allergic and it may appear too obvious that you're trying to cover up odors.
- Make sure everything is clean, shiny and in good working order. Visitors will poke into everything; dirty wall switches, squeaky doors and stuck cabinet drawers will detract from your home's appeal.
- Keep your lawns mowed and trimmed. Lawn mowers and yard tools should be neatly stored in your garage or storage shed.

Tips When Showing Your Home

- Try to be ready for a viewing at all times, you are usually given advance notice when a buyer will be shown your house but an agent may happen to have a buyer looking at other houses in your area and drop by unexpectedly.
- When you know a buyer is coming, do a quick look around the house and make sure everything is clean and tidy.
- Take out the trash, spray air freshener, and restrain your pets so they don't frighten or interrupt your visitors.
- A vase or two of fresh flowers or a couple of nice house plants help brighten up your home but keep them of moderate size and don't have too many.
- Send children outside to play or visit a friend in the neighborhood, again you want to minimize potential distractions.
- Turn on all the lights in the house, if it's and evening visit turn on all the out side lights. By eliminating shadows you make your home warm and inviting.
- If possible, don't be home when a buyer is shown your home. You want the buyer to be comfortable when viewing your home, if you are there they buyer may feel that they are imposing on you and may rush through the visit and never get a chance to really appreciate your house.
- If you are home when an agent is showing a buyer your home, try to stay out of the way. Again, you don't want to make a buyer feel that you're looking over their shoulder as they look at your house.
- Do not volunteer information; only answer questions posed by the real estate agent. A buyer may be probing you for information that will help them find reasons to offer a lower price than you're seeking.
- Don't forget the emotion impact of your answers, if they know you're moving to a larger house because your family is growing they may feel that your home is too small for their needs as well. Don't undermine your real estate professional's negotiating position, let them do the talking.
- Most of the time you won't see your real estate professional showing your house, a big part of your agent's job is to advertise your property to as many other agents as possible so that they can bring in buyers. Talk to your agent on what you should or shouldn't say to other agents when they bring a buyer to your house.

Tax Considerations When Selling Your Home

- Do you qualify for exclusion on gains from selling your house? Generally you can exclude the first \$250,000 (if single, \$500,000 if married and you file tax returns jointly) of gains if you've lived in the house for more than two years.
- If you haven't lived in the house for more than two years you may qualify for a reduced exclusion if the reason you're selling is a change in your job location,

- health reasons or other unforeseen circumstance.
- To determine the taxable profit on the sale of your home you'll need to factor in several things.
 - Did you buy the house or was it a gift or inheritance?
 - Was it used for business or rental?
 - Selling costs.
 - Improvements you made to the property.

When An Offer Is Made

- If the offer is not to your liking, or you feel is insulting, don't reject it out of hand. The buyer is interested in your property so there may be room for negotiation, make a counter offer and see where it leads. Remember that this is a business transaction and you need to put aside any emotional attachments you have for your old home.
- If you receive multiple offers you'll need to determine what is most beneficial to you. The contingencies will usually be the most important details for you; if one offer has the contingency of selling a current home before closing on yours where the other offer has no contingency then the latter is less restrictive on the closing date.
- Before accepting an offer, review it with your real estate professional and qualify the buyer. An offer may look good on paper but has the buyer really pre-qualified for a loan, or are there any red flags that might indicate that the buyer cannot back up their offer? Your real estate professional can do some investigating with the proposed mortgage lender or with other agents who've dealt with the buyer to see if the offer is credible or not.
- Look at other contingencies that the seller has in the offer and those that you had in the listing agreement, do they conflict? If you have specified a move-out day after the closing date but the buyer wants to move in immediately after closing then you have a conflict and need to resolve this with the help of your real estate professional.
- Keep in mind the local market conditions. If you're in a buyer's market then you may have to make concessions if you want your home to sell quickly. In a seller's market you probably don't need to make concessions.
- Don't discuss the offer directly with the buyer or make any oral agreements. Let your real estate professional do the talking, they will get everything in writing so that there's no misunderstandings that prevent your home from selling on the terms you've set.

Accepting An Offer

- Act quickly – Most offers have a time limit for you to accept or reject it. If you decide to accept it or make a counter offer then do it quickly. Up until you accept an offer or make a counter-offer the buyer can withdraw their offer.
- Once you accept an offer and sign the purchase and sale agreement you will have a binding contract with the buyer. The earnest money put up by the buyer as part of the offer goes into an escrow account until the close of the sale or the sale falls through. Review the purchase and sale agreement; make sure the sales price, closing date and contingencies are exactly as there were on the offer you

accepted.

- All parties involved must approve any changes to the contract. Even minor changes can invalidate the contract if not approved by all involved.
- If you have questions on anything in the contract consult your real estate professional for clarification. Or, check with your real estate attorney.
- The time between accepting the offer and the closing date unexpected issues may arise. Repairs required by the mortgage company, an unclear title or other problem could delay closing. Rely on the experience of your real estate professional to help you work through these issues.
- Before the closing date there will probably be a professional inspection, requested by the buyer, to evaluate the overall condition of the property. There will be an appraisal, requested by the buyer's lender, to evaluate the property's worth. A title search by the title insurance company to make sure there are no liens on your property.