



## The Sellers Report



## Report for Home Sellers

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# Report for Home Sellers

## Make Your Home Look Good

It's important you make your home look presentable before you put it on the market. Exterior and interior paint will give you the best return on your investment. Clean up the yard, fertilize and add some flowers for that most important first impression. Have an agent preview your house to give you some suggestions. If yours is an older house, your agent should recommend a termite and or property inspection at the beginning. This can work to your advantage in a couple of ways. Negotiations go smoother if you are aware of problems at the beginning, allowing you time to fix or correct things before an offer is brought in, which may give the buyer the confidence to offer more. Also, knowing of problems up front will give you and your agent more time to come up with ways to negotiate around them, should you choose not to fix them.

## Dress For Success

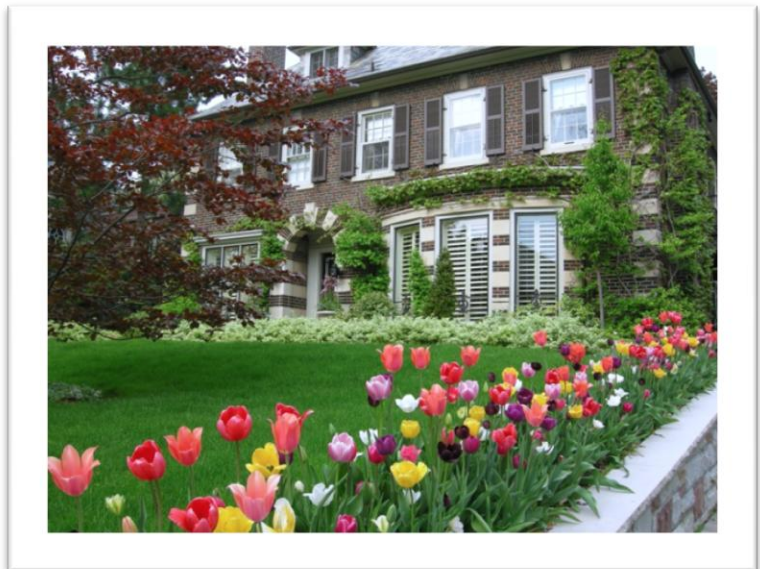
Before you put your house on the market, it is best to put a shine on it. The way you present your property to prospective buyers can make all the difference. Without investing in expensive and time-consuming renovations and redecorations, it is still possible to show your home to its very best advantage.

## Curb Appeal

When prospective buyers drive up, that very first impression is extremely important. If they don't find the outside appealing, they won't be interested in seeing what's inside.

## The Yard

Mowed lawns, trimmed shrubbery and clean windows are a start. Planting a few flowers or plants can do a lot to a front yard. Fertilize and water the lawn and plants thoroughly 2-3 weeks before putting the house on the market. Clean up oil spots in the driveway. Make sure the garage door opens easily. Swimming pools should be clean along with the pump and filters. Clean up and throw away any items laying around the yard. Now is a good time to have a yard sale, get rid of those items that you don't plan to take with you.



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Doing this before you put your house on the market will greatly reduce the detrimental "cluttered look". Start packing away little things that you don't use every day. Recycle magazines, newspapers, bottles, cans and so on. Pet droppings can easily turn the buyer back to the front door.

### The Exterior

If your house could use a paint job and you don't have the time or money, sometimes hosing it off (from the top down) and repainting the trim will update the entire facade. If possible paint the side facing the street. A clean front porch with a fresh looking front door that opens smoothly is a must. Any broken windows should be fixed now as they will most likely need to be before closing. A few gallons of stain or paint can add a real impact to a fence.



### The Interior

Inside, everything should be spotless. Spending \$100 to have someone do a heavy "spring cleaning" if needed can bring a return many times over in the sales price and time on the market. A fresh coat of light colored paint on the walls is always recommended. Painting only the trim and the doors will add a lot. Check to see that all doors open and close freely. Oil any squeaky doors. Replace any burned out light bulbs. Brighter lights enhance many rooms.

Steam clean the carpets if new carpeting is not possible and to help eliminate any pet odors. Wash and wax linoleum floors. Repair or replace damaged or missing tiles. Bathrooms should sparkle. Remove soap scum and mildew. Replace old looking toilet seats. Kitchens should be clean and bright. Clean oven and stove top. Exhaust fans should be free of grease and dust. Clear all unnecessary objects from the countertops. Keep curtains and blinds open and interior lights on for a bright warm cozy feeling. Store excess items and clutter under beds, not in closets.

### Focus Rooms

Buyers react most strongly to kitchens, bathrooms and closets, so it pays to concentrate your efforts here. Sometimes just switching door handles, knobs, and light switch plates is a dramatic improvement. Replacing new shower curtains and sink faucets can also pay off.

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Tip: Preview the competition's open houses to see what you are up against in both pricing and condition. Potential buyers will be previewing these and more.

Tip: Try to look at your house "through the buyer's eyes" as though you've never seen it before. A lockbox placed on your front door is of the up most importance. If agents have trouble showing your house, the less exposure you will get.

### **Price It Right**

Pricing your house at market value from the start will typically result in the best price you will get for your property in the least amount of time and inconvenience to you. Listing your property high at first only helps to sell the other houses like yours on the market. Remember, buyers preview a lot of homes so they know what is overpriced. The sales price also has to appraise at market value in order for a lender to provide a loan.

### **Pricing a Home is Key**

When you consider extra mortgage payments, property taxes, insurance, the time and energy to keep your home looking good and the inconvenience of having your home on the market a couple of extra months, over pricing isn't practical.



### **Real Estate Professionals**

Today real estate has become a business that is extremely labor intensive on many fronts. Continuing education is required to keep current with all of the changes and requirements involved in a real estate transaction. Most home owners do not have the time or knowledge to successfully market and sell their home for the best price.

### **FSBO**

To save on commission, some people may try marketing their home by FSBO (for sale by owner). However, because so few are successful most eventually list with an agent. Most buyers work with an agent because they do not want to go through the buying process without the use of a knowledgeable professional. Since the commission on a listed house is typically the source of income for the buyer's agent, FSBOs get far less market exposure. Agents typically prefer not to work with FSBOs as they wind up doing much more work. Why - because FSBOs typically don't have the knowledge and required forms needed for selling a home. Because of this, the buyer's agent usually

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ends up providing for and consulting with the owner. Many agents are uncomfortable with this and prefer to deal with home sellers who have their own listing agents.

### **CMA**

Real estate professionals have the needed information to arrive at market value. A real estate agent will conduct a Comparative Market Analysis (CMA) using the Multiple Listing Service (MLS). This involves a survey of homes that are on the market or have recently sold and that are similar to yours. The agent will advise you on the additional value (or deficit) of your home's unique features and factor that into the equation. Choosing to list your home with the agent who recommends the highest price isn't always the best. This technique is often used only to secure the listing. Dismiss any agent who cannot justify a high price estimate. Sellers mistakenly believe that they should price their house higher knowing that they can come down in price if it doesn't sell. Buyers shop around before buying and recognize value in a specific price range because of comparison shopping. Homes that wind up on the market for a long time typically sell below market value.

### **Commission**

Commissions can vary between 4%-10%, depending on the type of property, current market conditions, and the sellers motivation. 6% seems to be most typical. Many people wrongly assume that the whole commission goes to one person. Typically it is divided four ways: the listing agent, the listing agent's broker, the buyer's agent and the buyer's agent's broker. Many times referral fees and franchise fees are a factor also.

### **5% Commissions**

Listing your home at 5% may not net you more than if you listed at 6%. When a home is listed, the commission is split between the listing agent's office and the buying agent's office. When agents show properties to potential buyers, one thing they generally look at is how much commission is being offered. Agents will typically show homes offering 3% before the homes offering 2.5%. If your home is offering 2.5% to the other agents, it may get fewer showings meaning less exposure. The result: you will be helping other sellers get their homes sold first. If the listing office offers 3% to a buyer's agent on a 5.5% or less listing contract you have the best of both worlds. This scenario reduces costs to you while still motivating buyer's agents to continually show your home. Although it may seem like a good idea to reduce the commission, it is also important to consider that real estate brokers and agents are responsible for MLS fees, insurance and membership dues. There is also the cost of overhead: computers, office equipment, transportation, signs, advertisement and so on. It's a business with many expenses and without a weekly paycheck.

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## Marketing Real Estate

The MLS remains the most effective way to market your home to the public.

### The Internet

The internet is fast becoming the preferred method for finding homes. More and more potential buyers start looking for homes on the internet because a tremendous amount of information can be found. Now you can take a virtual tour of a home at the click of a mouse. More and more homes will be marketed this way, especially higher priced homes or unique properties. Real estate companies that use this technology are serving their clients better. In the past, flyers on a for sale sign were the common way to obtain information about a house. Now, individual property websites are quickly surpassing the old marketing initiatives taking real estate agents, sellers and buyers alike soaring into the future!



### Signs

A FOR SALE sign should be placed in your front yard. Not allowing a sign on your property will greatly decrease your marketing power.

### A Lock Box

It is important that you have a lock box in order for agents to preview and show the property during the day. Not allowing a lock box will dramatically reduce the needed exposure to properly market your

home. Lock boxes are secure devices in which a record is kept of who uses them. Agents don't like to show property if access is inconvenient. Always use a lock box.

### Single Property Websites

Single Property Websites are an effective marketing device which allows potential buyers to get detailed information about your property by entering your custom property domain name (i.e. 555MainStreet.com). Savvy agents can successfully market this website on the Internet by posting it on CRAIGSLIST.org as well as several other property portals, and by hanging the sign rider that showcases the custom domain name. Because nearly 90% of buyers use the Internet when searching for a home, print advertising in magazines and newspapers has become less common and less effective. Considering also that property websites always offer more current

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information as well as a wealth of property details and photographs that is impossible to duplicate in any form of print genre, it is no wonder that property websites have changed the way real estate agents market their client's homes.

### **Understand the Market**

Understanding the market is one of the most important steps to take before selling a home. In a seller's market, listed properties will often be on the market for 45 days or less before selling. These properties will often sell at, near, and sometimes even above the asking price. In general, area property prices will be rising. In a buyer's market, homes will remain on the market for periods often exceeding two months, and the sale price is usually noticeably less than the asking price. In general, area property prices will be falling.

### **Comps**

To help get an idea of the market in your area, it is important to look at the recent comparable sales, better known as "comps." Comps are properties within the same general area of each other with similar attributes. When looking at comps, locate similar properties using the following criteria.

- Square Footage - Comparable properties should be reasonably close in size.
- Lot Size - It is especially important to consider this detail. Larger lots generally command a higher price, occasionally even if the home is not as valuable.
- Bedrooms and Bathrooms - When making comparisons make sure that both homes have approximately the same number of bedrooms and bathrooms.
- Parking - It is important to note the type and number of spots.
- Age - While not always an important pricing factor, homebuyers usually prefer newer homes.
- Days on Market - Pay attention to the length of time it is taking homes to sell. If homes are selling slowly, this may indicate a buyer's market in which pricing your home becomes that much more important.

If possible, try to see the comps yourself, this way you will be able to get a good idea of the appearance and condition of similar homes on the market and how they are priced.

NOTE: Properties will seldom share identical characteristics, so there will inevitably be some give and take.

### **Taxes**

If you are not sure what tax consequence you face when selling real estate, consult with a CPA or tax attorney and not a real estate agent.

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