

How to Sell Your Home



A Simple Guide to the Complex
Home Selling Process

market leader.

Introduction

The home selling process can be a challenge, even for those who have gone through it before. If you're planning on selling your home, this guide will walk you through the steps necessary to maximize your sale price, reduce the amount of time your home spends on the market, and prepare for closing proceedings.

Though there are many ways to facilitate the sale of a home, your best bet for selling your home quickly at or above the listing price is to work with a real estate agent. As professionals with home-selling expertise accumulated over the course of years, real estate agents will facilitate this process from start to finish by performing vital functions like marketing your home, helping to price it correctly, and negotiating with buyers and their agents.

Choose a Real Estate Agent

Ask around for referrals, and don't automatically choose the first agent you come across. Instead, look for an agent who knows your market and can help you through the selling process. It is important you find an agent you connect with and is a good communicator. Also, ask what services they include. At a minimum, your agent should be offering all marketing and advertising costs included in a listing agreement. Professional photography is a must – no matter how hot your market is or how great your agent says their phone camera is. For some listings, a virtual or video tour or drone photography helps to highlight the property.

Some home sellers choose the "for sale by owner" (FSBO) route. While this is always an option, it's advised against unless you have extensive experience with the home selling process. Where FSBO cuts costs by doing away with commission fees, you risk adding costs to list and market your home, the expertise an agent provides in the form of market valuations, negotiating, legal processes, and any appraisal or inspection discrepancies you encounter – not to mention

helping to navigate the mountains of paperwork inextricably involved with real estate transactions. If you go the FSBO route, be aware of the risks involved. While trying to save on paying commission fees to an agent, homeowners who go the FSBO route put themselves at risk both financially and legally.



Sign a Listing Agreement

This will cover the agent's commission and gives them an exclusive right to sell your home. This agreement will also cover proper steps should a dispute arise, protecting all parties involved. It details the listing period or the set amount of time an agent has to sell your home (this could be 90 days, six months, etc.), the listing price, and the duties they are authorized to conduct on your behalf. Make sure the listing agreement includes any specifics you want from the agent, like the specific ways the agent will market your home.

Prepare Your Home for Sale

Do a deep clean of the home

Check floors beneath any rugs and walls behind hangings so you can clean or repair before putting your home on the market.

- Wash carpets
- Clean/polish linoleum and wood floors
- Scour bathrooms
- Clean furniture
- Wash inside & out of all windows and skylights

Staging

Talk to your agent about professional staging services or consultations. Staged homes sell quicker and for more money.

Make necessary repairs and replacements

Health and safety issues are the top priority as these can affect the ability for a buyer to get financing on a home. Focus on the items most likely to come up during a home inspection- like roof, paint, heating/cooling/plumbing and electrical.

Your agent can help you analyze repair vs. the cost to replace items to determine which is the best route to go, how they will affect the price of the home, and if you'll get the costs back in the sale.

- Plumbing
 - Pipes for drainage and waste
 - Toilets
 - Showers
 - Sinks
- Lighting
- Doors
- Windows - replace broken/failed windows
Clean inside and out

- Flooring
- Electrical
 - Main panel
 - Circuit breakers
 - Wiring
 - Grounding
 - Ceiling fans
- Roof and gutters
- Appliances
 - Dishwasher
 - Oven
 - Garbage disposal
 - Smoke and carbon monoxide detectors
 - Washer and dryer (if included in purchase agreement)
 - Hot water heater (if older than 10 years it is beyond its expected life)
 - Furnace

Curb Appeal

Improve the curb appeal of your home's exterior by making necessary repairs or replacements, and with a fresh coat of paint where applicable.

- Doors
 - Front door
 - Garage door
 - Side doors
- Landscape
 - Driveways & walkways
 - Remove weeds & mulch
 - Mow lawn
 - Trim hedges
 - Fences

Price Your Home

Your agent is an expert in your market and will be exceptionally helpful with this process. Use the comparative market analysis (CMA) the agent provides. The CMA will take into account things which can have a large impact on the sale price, from your home's square footage, number of bedrooms and bathrooms, sale prices of comparable homes in your neighborhood, value provided by amenities like walk-in closets and high-end appliances, as well as available inventory.

Pro tip:

Online pricing tools are notoriously inaccurate, so it's unwise to view them as good assessments of home values. Between your agent's pricing recommendation and any online price tool, the former will always be able to provide you with a better idea of how much your home is actually worth.

Your agent will also help you determine the best pricing strategy for the current market and season. Even in a hot seller's market, not every home will get top dollar if not priced correctly. Your agent will help you analyze where the home prices are trending (up or down) not only based on the last 6 months, but look at the active and pending listings to determine your strategy. Are homes taking longer to sell? Or are they selling faster than the previous month? This is why hiring an expert is so important to ensure you get the right price and right exposure the first time.

Seven Ways to Maximize Your Home's Sale Price



Create Space.

Declutter and depersonalize your home as much as possible. Renting a storage unit can be helpful here. Remove personal family photos and clear surfaces. Each surface should have no more than three items on it.

Organize closets and cupboards and start packing the things you don't use every day. It will help buyers see past the 'stuff' and gives the impression of more room.



Stage your home.

Appeal to a larger pool of buyers by allowing people to better visualize themselves in the home. Staging can be done by a professional, or on your own, and will not only increase your home's sale price, but likely help it sell faster as well.



Stage outdoor spaces.

Update doorknobs and locks, paint the front door, and be sure outdoor furniture is clean and well-kept. Add a few color pots or plant flowers for added color.



Go green.

When replacing household items, opt for energy saving alternatives. Windows, HVAC, lighting; energy-saving utilities can save big bucks, while attracting buyers.



Make budget friendly fixes.

Fresh paint, clean carpets, and new faucets can go a long way without breaking the bank, if the house just needs to be freshened up.



Fix the flooring.

Investing a little in updating flooring can produce big returns. If you've got blue carpet or green vinyl bathroom floor, replacing them could mean thousands of dollars on your selling price.



Work with a licensed real estate agent.

Studies show that sellers who work with agents sell their homes at a higher price and in less time than sellers who go the FSBO route.

Keep Your Home in Good Condition

You never know when a potential buyer may want to see your house, so it's important to keep it in good condition for the entire time it's on the market. Keep it ready for showings by doing the following:

- Dust and vacuum often
- Keep bathrooms spotless
- Keep your sink free of dishes
- Keep your dishwasher clean
- Keep valuables, weapons, and medication locked up
- Keep electronics password protected

Consider Deal Sweeteners

Deal sweeteners are ways you can attract buyers, if your market is competitive for sellers. They commonly include paying buyers closing costs and buying down the buyer's mortgage rate. Your agent will be able to provide input on whether providing deal sweeteners are necessary, and which ones you should offer. Also, you can offer a Home Warranty Insurance policy like one through First American that provides coverage on common repairs needed.



Have Your Home Appraised

The buyer may be required to have your property appraised as part of the mortgage process as required by the bank. The appraiser is hired by the lender and paid for by the buyer. Because the appraisal isn't paid for by the seller, you're not entitled to a copy of the appraisal. If the appraisal is lower than the contract purchase price, talk to your agent about how the purchase and sales agreement outlines the next steps. The contract will determine how this is to be handled and this is where the expertise of your agent will help you with the situation.

Prepare for Closing

Get ready to close on the sale of your home by doing the following:

- Prepare disclosures. You must disclose every flaw and shortcoming of your home that could adversely affect the new owner's enjoyment of it. Legal action can result if the buyer is not made aware of any problems, whether by design or by unintentional omission on the part of the seller.
- Gather and prepare necessary paperwork. This includes documents like the certificate of title.
- Keep your home in good condition. The deal can be jeopardized if you do not clean and maintain your home before closing.

Your agent will open escrow and order a title insurance policy for you. Escrow is a third-party holder of the transaction. Think of escrow as the referee; a neutral party whose job is to ensure that both buyer and sell maintain their ends of the bargain outlined in the purchase agreement.

Prepare for the Final Walkthrough

The purpose of the final walkthrough is to ensure that your home is in the agreed-upon condition before the sale is finalized. It takes place anywhere from a few hours to a few days before closing. In some states, if any repairs were negotiated, they have to be completed at least 3 days prior to closing but can be negotiated for longer. Always be sure to check your options and how much time you have in your state with your agent.

Here's how you should prepare for the final walkthrough:

- Be sure to give yourself time to move out before closing so you can prepare the home (the home should be completely empty and clean for the final walkthrough).
- Gather all appliance manuals, house keys, mailbox keys, controls, and anything else you have for the buyer. Label keys and which locks they open. The buyer will appreciate this.
- If there are any damage that need to be fixed (ding a wall while moving out?), be sure to notify your agent so they can report it to the buyer's agent.

Sign Closing and Escrow Documents

This process varies widely from state to state and your agent can prepare you for what to expect.

Once you sign closing documents, prepare for the final transfer of both money and property.

CONGRATULATIONS!



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