

How to Sell ... Step by Step

Compliments of **The Neal Team** - HomeSmart



Helping People To
Sell Their Homes
NOW!



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HomeSmart
Covering the entire Phoenix Arizona metro area

The Process of Selling Your Home

- Contact Realtor®
 - Prepare House
 - Market Property
- Review Purchase Offer Contract
 - Open Escrow
- Provide Access for Inspections
 - Provide Access for Appraisal
- Negotiate Solutions for Any Issues
 - Perform Repairs
- Buyer Loan Documents to Escrow
 - Review Closing Statement
 - Sign Documents
 - Buyer Loan Funds Received
- Documents are Recorded - Escrow Closes
 - **Pack and Move**

How to Be a Successful Home Seller

It's time to move on...

Whether you're making a job change, retiring, need a bigger house, need a smaller house, or just need a change of scenery, you want to get the most for your house, with the right terms and in the shortest amount of time possible.

If you think selling a home is easy, ask yourself this ... How many houses did you look at before you bought? How many other people do you suppose went through those same homes before a buyer was found? And how would a lot of people become aware that your home is for sale without you paying for a lot of advertising.



Then if you have several prospective buyers look at your property who you never hear from again, why did none of them make you an offer?

The very first, and most important step to being a successful home seller is to find yourself a Realtor® to advise you and manager your sale. A good Realtor® will save your advertising money, will get you a higher net cash from the sale, and will get your property sold far faster than you can. After all, this is what they do every day.

Your home is one of the most valuable possessions you will ever sell. It requires skill, experience, and understanding of the current market. A Realtor® has the experience and understanding, plus access to marketing tools that will maximize your return.

Pricing

One of the first things your Realtor® will do is help you price your home effectively. Sometimes sellers mistakenly price their houses higher, knowing that they can lower the price if it doesn't sell. This can often backfire on the sellers. Buyers often shop around before they buy and often recognize value in a specific price range because of this comparison shopping.

Using the Multiple Listing Service (MLS), the Realtor® will prepare a Comparative Market Analysis (CMA) which involves a survey of homes that are on the market, or have recently sold, that are similar to yours. Your Realtor® will then advise you on the

additional value (or deficit) of your home's unique features, and factor that into the equation. Depending upon how anxious you are to sell (and how fast you need to close), your Realtor® can suggest different strategies to help you get top dollar for your home.

Once you sign a Listing Agreement, your Realtor® will develop a comprehensive marketing plan. But first, your Realtor® will take a look at your home and may suggest ways to make it show better. Remember what you looked for when you bought the house? Take a look at the selling tips on the next few pages to get a better idea of how you should look at your home through the "eyes of a buyer".

Your Realtor® will put your home on the MLS so other agents will become aware of your property. Your Realtor® will also network with other agents, conduct open houses, and suggest ways to stimulate activity. Advertising is vital.



Comparative Pricing

Value is a relative term. One owner's quaint little cottage may be another's airless old money pit. Obviously then, you need some basis of objectivity - and you can find it by having your Realtor® rate your house against other similar houses in like neighborhoods. You can count on your Realtor® to be frank if your asking price is too high. Your Realtor® will work together with you to factor in all the important aspects of your home.

Home Preparation Tips

People usually decide within minutes whether or not they like your house. It's essential that you consider your property as a buyer would see it.

For a very complete list of suggestions, see our companion publication [450 Ideas to Sell Your Home Faster](#). Presented just below is a summary.

Kitchen ... the most important room in the house. Make it bright and attractive.

- Make sure the kitchen is spotless. Check the stove, floor, windows, cabinets, etc.
- Clean the ventilating hood in the kitchen.
- If the kitchen floor is badly worn, replace it with new flooring.
- Replace any loose tiles on the counter and walls.
- Remove any appliances or knick-knacks you keep on the counters. Clean, uncluttered counters will make the room look bigger.

Bathroom

- Repair any dripping faucets.
- Keep fresh towels in the bathroom.
- Remove any stains from toilets, sinks, bathtub and shower.
- If the sink, bathtub or shower drains too slowly, unclog it.

Outside

- Make the front door fresh, and clean looking. Repaint if necessary.
- Keep the lawn and shrubs trimmed and neat looking.
- Sweep walkways.
- Paint your house if necessary. This can do more for the sales appeal than any other item. If you don't want to paint, consider touching up shutters or window frames.
- Check the roof and gutters... any missing tiles/shingles to replace?
Are gutters and downspout in place?

Living Areas

- Have all walls in top shape. Repair cracks, nail pops or visible seams in drywall.
- Wash the windows.
- Replace broken glass and torn screens. Make sure windows open and close.
- Check ceiling for leak stains. Fix the leak, repair the ceiling and paint.
- In painting or redecorating, avoid offbeat colors. Stick to warm-neutrals.
- Replace or re-dye faded curtains or bedspreads.
- If you have a fireplace, clean it out
- Replace burned light bulbs. Make sure light switches work.
- Clean floors and vacuum rugs.
- Straighten up the closets and get rid of excess items.
- Use air freshener to eliminate musty or unpleasant pet or cooking odors.
- Fix any doors or sliding glass doors that stick.

Garage

- Clean out the garage and dispose of anything you are not going to move.
- Box up everything you won't need until you're in your new garage.
- Make sure the garage door opener is in good working condition.



Additional "Inside" Tips

- Neatness makes a room look bigger. Put excess furniture in storage. Avoid clutter
- Avoid having dirty dishes in the sink or on the counter.
- Keep toys in the children's rooms. Bikes, in-line skates and skateboards should be made as inconspicuous as possible.



When your home is being shown

- Open draperies and shades to let in light. This will make rooms appear larger.
- Keep radios, stereos and TVs off or turned way down.
- Take pets outdoors when your house is being shown. Children should be quiet.
- Be courteous but don't force conversations with potential buyers. They want to inspect your house, not pay a social call.
- Don't mention furniture or furnishings you may want to sell unless asked. Trying to dispose of such items via the potential buyer before they have purchased the house often loses the sale.
- Let the Realtor® show your house and don't tag along. The salesperson knows the buyers' requirements and can better emphasize the features of your home.
- Let the Realtor® discuss the price, terms, and other factors with the buyers. He/she is eminently qualified to bring negotiations to a favorable conclusion.
- Take your family away for the day, if your Realtor® is holding an open house.

10 Deadly Home Selling Sins

It's wise to follow others' good examples and to learn by others' mistakes. So that your move will be a sane and sound one, here is a list of 10 mistakes to avoid.

1. Buying a replacement home before selling the old one.
The temptation may be great to buy a replacement home first. This way you'll know where you are going and how much you'll be paying. And you won't have to worry about being left out in the cold with nowhere to go if your home sells quickly. However, the financial risks of buying first are great. It's far better to sell your current home first and endure the inconvenience of moving to an interim rental - which rarely happens - than it is to end up owning and paying for two homes when you only want one.
2. Basing the list price on the price you want rather than on market value.

Market value determines the price of your home - not wishful thinking. A buyer won't pay more for your home than he/she thinks it's worth. Get a comparative market analysis from your Realtor, or get an appraisal from a local appraisal firm. With this information, you can determine the appropriate list price for the current market. After you know what your home is likely to sell for, ask your agent to prepare a seller's net sheet. This will tell you approximately how much cash you will receive from the sale.

3. Failing to get a professional inspection before listing a home for sale.
Ultimately, your buyer is likely to get a professional inspection. These are often detailed to the point of being irritating. It's far better to get the "bad news" from your inspector. Also, you can then correct the problems so that buyer's inspection is much cleaner. But don't expect perfection. Remember, it's an inspector's job to find problems, and they always will. The following section is a more extensive of home inspections.
4. Putting a home on the market before it is spruced up.
Their first impressions are lasting ones, and most people lack the vision to imagine what the home will look like when it's fixed up. It's usually better to delay marketing a home until it is spruced up for sale.
5. Refusing to reduce a listing price that is too high for the market.
Over-priced listings often take a long time to sell. Thus they can sell for less than they would have if they were priced right to begin with. It is natural to want to get the most money possible when you sell. Competitive pricing is the way to achieve that result. If you find that your list price is too high for the market, reduce your price sooner rather than later. The longer it sits on the market unsold, the lower the ultimate selling price is likely to be.
6. Refusing to counter a low offer.
Sellers want to sell high; buyers like to buy low. A low offer from well-qualified buyers is better than no offer at all. A high offer from unqualified buyers only leads to disappointment. The price buyers offer is not the most important part of their offer - if they are willing to negotiate.
7. Insisting on being present when the home is shown to prospective buyers.
One way to discourage buyers from buying your home is to be home during showings. For buyers to decide to buy a home, they first must discover and discuss, all of its flaws. Buyers are reluctant to say anything negative about a home in the sellers'



presence. It is best to leave your home when it is being shown to prospective buyers.

8. Listing with a contingency to find a replacement home.
This is like saying that your home might be for sale. Serious buyers make offers on homes that are definitely for sale. Otherwise, buyers could wait in vain for unrealistic seller to find an acceptable replacement home. Sellers often want a contingency to find a replacement home so they don't have to move twice. To avoid having to move to an interim rental, list your home with a provision that you may need to remain in possession and rent back the property for a period of time after closing. At least, the buyers know they have bought a home, even if they can't move in right away.
9. Setting up a complicated showing procedure that discourages showings.
A home that can't be shown can't be sold. The easier it is to show a home, the more often it will be shown and the quicker it will be sold. This is a nearly universal truth.
10. Refusing to do anything to get your home ready to sell.
The way most people live in their homes is usually very different from the way a home should look when it goes on the market. In order for someone to want to buy a home, they must be able to envision themselves living there. Most sellers have to de-clutter and clean their homes - at the very least. Often there is quite a bit more work that needs to be done before a home is ready to sell. For example, in order to get the highest price possible when you sell a car, it is wise to have it detailed to look its shiny best. The same concept applies to selling houses. Buyers pay a premium for homes that are in move-in condition. Also, in most cases, a vacant home should be "staged" with rental furniture and decor items to give the home the appearance of warmth and being a "wanted" place to live.



Home Inspections

Nationally, approximately 45% of the homes sold will have a professional inspection. In Arizona, particularly Maricopa County, the percentage is much higher. As a seller, you should expect to have your property gone over carefully.

The typical home inspection covers the exterior, walls, roof, outside equipment, the interior, windows, kitchen appliances, bathroom fixtures, etc. It will take an estimated hour for every 1,000 square feet.

You should consider having a professional inspection prior to listing because:

- Pre-inspected homes typically move faster from offer to escrow.
- With a home inspection report in hand, you and your Realtor® can determine in advance which items you'd be willing to address.
- You'll have a better sense that your price is in line with the overall condition of the property.
- You will have better insight when you fill out the Sellers' Property Disclosure Statement (SPDS), so the buyer's inspection is much less likely to produce any surprises.



When you sell a home, whatever you can do to "accentuate" the positive and eliminate the "negative" is to your advantage.

What is a home warranty?

A home warranty is an insurance policy against unknown conditions and defects in mechanical, electrical and plumbing parts and systems of a house for one year. The policy is renewable at the end of the year.

Why should a seller provide a home warranty to the buyer?

A home warranty that ultimately protects the buyer also provides definite benefits to you as the seller:

- A home warranty is a sales incentive to the buyer that may get your home sold faster, and possibly for more money.
- If there are repair issues after the sale that the warranty covers, you are much less likely to have "disclosure" difficulties from the buyer.
- You are also eligible to receive home warranty coverage during the listing period - FREE.

You should review the policy and options to be sure to get the coverage you need during period your property is listed for sale.

What type of coverage is available?

Policies commonly have optional coverages in addition to the standard items, including air conditioning systems, for example.

When is the home warranty put into effect?

For you as the seller, the policy can be in effect at the time you commit to the home warranty company to provide the warranty to the buyer.

There is no fee for the coverage during the listing period. At close of escrow, payment is made to the home warranty company. The policy is in effect for the buyer at that time.



Guide to Closing Costs

Seller usually pays:

- Real Estate Commission
- Document Preparation Fee for Deed
- Any loan fees required by buyers' lender
- Payoff of all loans in sellers' name
- Interest accrued to lender being paid off
- Statement fees, reconveyance fees and any loan prepayment penalties
- Termite inspection and work (according to contract)
- Home Warranty (according to contract)
- Any judgments, tax liens, etc., against the seller and recording charges to clear all documents of record against seller
- Tax proration (for any unpaid taxes up to time of transfer of title)
- Any unpaid Homeowner's dues
- Homeowners' Association Document fee and Transfer fees
- Any bonds or assessments (according to contract)
- Any and all delinquent taxes

All items are negotiable and subject to terms and conditions of the Contract.

For Sale By Owner

You may think that selling your home without a real estate agent is a good way to save a little money. Although it may seem like a great idea, are you aware of the laws, disclosures and various other requirements necessary to complete a lawful and successful sale transaction? Here are some other questions you should ask yourself:

- All buyers expect to pay a lower price because there are no Realtors® involved? Which means there's rarely any savings at all.
- Do you have the time and knowledge it takes to sell your home?
- Do you know how to determine the market value of your home?
- Do you know where and how to advertise your home effectively for maximum exposure?
- How much is that advertising going to cost?
- Do you know how to prepare your home to make it the most appealing to buyers?
- Do you know how to obtain detailed information buyers will expect to have about the property?
- Do you know how to determine if a buyer is qualified for financing?
- Do you know what to ask for as loan qualification verification?
- Do you have the proper documents to provide to potential buyers to make an offer?
- Do you have the knowledge to properly prepare a legal, binding sales contract?
- How will you handle offers, negotiations, and counter offers with a buyer?
- What will you do when you receive an acceptable offer?
- Are you aware of the escrow and title process and know when to involve a title company?
- What other costs are associated with selling your home such as attorney's fees, home warranty and escrow fees?
- Are you ready to devote a fair amount of your free time for showings and open houses?



Benefits from a Realtor®

A Realtor® is a certified real estate professional, who can make your home selling experience much more profitable, happen more quickly, and be much less stressful. If the preceding list of questions has not convinced you that selling on your own would likely be a big mistake, consider the following list of direct Realtor® benefits.

- A Realtor® can provide you with a market analysis and current market value.
- A Realtor® can offer effective advertising of your property and lots of exposure.
- A Realtor® knows what you need to do to prepare your property for selling.
- A Realtor® will work for you to get the highest price possible for your home.
- A Realtor® knows the right questions to ask to screen potential buyers for you.
- A Realtor® has real estate documents and disclosures as required by law.
- A Realtor® has the expertise to negotiate with buyers and other agents.
- A Realtor® knows what to do once you have accepted a buyer's offer.
- A Realtor® can resolve unpredictable and complicated problems that can arise.
- A Realtor® will guide you through the process of deadlines and requirements to be sure you are complying with the law and terms of your contract.
- Your Realtor® works with you and to assure your transaction is successful.



Once you consider the many facets of a real estate transaction, you will almost certainly conclude that working with a Realtor® is the best decision.

