



Q: I keep hearing that it is easy to sell my own home and that I can save money is it true?

A: Many people think there's nothing to selling their home. In some cases this might be true, but for the average homeowner it usually isn't the case. Most homeowners are not tuned into the trends and fluctuations of the real estate market or aware of the steps necessary to maximize profits on the sale of out home. Before you list with a real estate agent or REALTOR you should be informed as possible so you can make the absolute best business decisions.

Why Use A REALTOR®?

REALTORS® are professional real estate experts that subscribe to a strict code of ethics and are expected to maintain a higher level of knowledge of the process of buying and selling real estate. Your real estate agent or REALTOR® should be able to give you up-to-date information on what is happening in the marketplace and the price, financing, terms and condition of competing properties. These are key factors in getting your property sold at the best price, quickly and with minimum hassle.

Your Price vs. Market Price

The selling process generally begins with a determination of a reasonable asking price.

One of the most common problem homeowners have when selling their home by themselves is overpricing. Many people who sell their home make a price without any facts other than what they paid for the home, how much they put in to the home and how much equity they are looking to receive from selling their home. An astronomical price over the area price could deter potential home buyers.

So how can you tell what my home is actually worth? As mentioned before, your REALTOR® should be able to help you determine the selling price for your home. However an appraisal, usually paid for by the buyer, will tell you what your home is worth. Some of the things an appraiser use to determine your home's worth are the location of the home, the proximity to desirable schools and other

public facilities, the size of the lot, the size and condition and recent sales prices of comparable properties, among other factors.

Marketing Your Home

The next step is a marketing plan. Often, your agent can recommend repairs or cosmetic work that will significantly enhance the salability of the property. Marketing includes the exposure of your property to other real estate agents and the public. In many markets across the country, over 50% of real estate sales are cooperative sales; that is, a real estate agent other than yours brings in the buyer. Your agent acts as the marketing coordinator, disbursing information about your property to other real estate agents through a Multiple Listing Service or other cooperative marketing networks, open houses for agents, etc. The REALTOR® Code of Ethics requires REALTORS® to utilize these cooperative relationships when they benefit their clients.

Advertising is part of marketing. The choice of media and frequency of advertising depends a lot on the property and specific market. For example, in some areas, newspaper advertising generates phone calls to the real estate office but statistically has minimum effectiveness in selling a specific property. Overexposure of a property in any media may give a buyer the impression the property is distressed or the seller is desperate. Your real estate agent will know when, where and how to advertise your property. There is a misconception that advertising sells real estate. The NATIONAL ASSOCIATION OF REALTORS® studies show that 82% of real estate sales are the result of agent contacts through previous clients, referrals, friends, family and personal contacts.

Another way to market and promote your home is to hold open houses. But many real estate professionals believe unless open houses are particularly well-attended in your neighborhood they aren't that successful.

Getting the House Ready

A house that "sparkles" on the surface will sell faster than its shabby neighbor, even though both are structurally well-maintained. Well-polished houses appeal to more buyers and in most cases sell faster and at higher prices. Additionally, buyers feel more comfortable purchasing a well-cared for home because if what they can see is maintained, what they can't see has probably also been maintained. In readying your house for sale, consider how much should you spend, exterior and curb appeal and preparing the interior.

How much should you spend?

In preparing your home for the market, spend as little money as possible. Buyers will be impressed by a brand new roof, but they aren't likely to give you enough extra money to pay for it. There is a big difference between making minor and

inexpensive "polishes" and "touch-ups" to your house, such as putting new knobs on cabinets and a fresh coat of neutral paint in the living room, and doing extensive and costly renovations, like installing a new kitchen.

Maximizing exterior and curb appeal

Before putting your house on the market, take as much time as necessary (and as little money as possible) to maximize its exterior and interior appeal.

Remember, making a good first impression can mean the difference between receiving serious offers for your home or being subjected to months of lookie-loos dropping by but never buying. The following are some tips to enhance your home's exterior and curb appeal:

- Keep the lawn edged, cut and watered regularly.
- Trim hedges, weed lawns and flowerbeds, and prune trees regularly.
- Check the foundation, steps, walkways, walls and patios for cracks and crumbling.
- Inspect doors and windows for peeling paint.
- Keep your garage door closed.
- Store RVs or old and beaten up cars elsewhere while the house is on the market.
- Apply a fresh coat of paint to the front door.

Maximizing interior appeal

Enhance your home's interior by:

- Giving every room in the house a thorough cleaning, as well as removing all clutter. This alone will make your house appear bigger and brighter. Some homeowners with crowded rooms have actually rented storage garages and moved half their furniture out, creating a sleeker, and more spacious look.
- If necessary, repainting dingy, soiled or strongly colored walls with a neutral shade of paint, such as off-white or beige. The same neutral scheme can be applied to carpets and linoleum.
- Checking for cracks, leaks and signs of dampness in the attic and basement.
- Repairing cracks, holes or damage to plaster, wallboard, wallpaper, paint, and tiles.
- Replacing broken or cracked windowpanes, moldings, and other woodwork. Inspecting and repairing the plumbing, heating, cooling, and alarm systems.

- Repairing dripping faucets and showerheads. Buying showy new towels for the bathroom, to be brought out only when prospective buyers are on the way.
- Sprucing up a kitchen in need of more major remodeling by investing in new cabinet knobs, new curtains, or a coat of neutral paint.

Your Home is Ready to Show

After your home is prepared to show, your agent will probably find a tactful way to suggest that you not be present while the house is being shown to prospective buyers. This is done because your presence will inhibit their actions and conversations. They won't feel free to open closets and cabinets, test out the plumbing, and discuss their observations objectively as they walk through. It goes without saying that your children and pets should not be on the premises either.

Accepting an Offer

This might sound funny, but the highest offer is not always the best offer. If you prefer a lower-priced offer, perhaps with a better qualified buyer or more attractive terms, you can accept that offer instead. Or you can give counteroffers to one or more of the buyers. Caution: If you reject a full-priced offer, you may owe your agent a full commission even if you don't sell your home.

Home Inspection

Your home is in escrow, and the buyer has scheduled a home inspection. Should you be worried about what the inspector might find? The answer depends, of course, on the condition of your home and how well you've maintained its major components over the years. Regardless of what the inspector may uncover, however, you shouldn't be overly concerned about the actual home inspection. Keeping in mind that disclosure laws and customary real estate practices vary from place to place, here are six suggestions as to how you might help the home inspection process go smoothly:

1. Leave the premises.
2. Be courteous
3. If you stay in the home during the inspection, don't attempt to refute negative comments about your home during the inspection.
4. Don't make statements about your home that are beyond your personal knowledge or can't be verified.
5. Don't block access to normal living areas of your home.
6. Make agreed-upon repairs promptly

The Counter Offer

There's a lot to consider before you sign a real estate purchase agreement. If the terms and conditions of the deal aren't acceptable, you might want to pause and think twice, even if the purchase price is more than satisfactory. After all, the price will be moot if the transaction never closes.

The typical residential real estate purchase contract is complicated, densely written and packed with legal jargon, but don't use that fact as an excuse for not reading the entire contract. Take your time and read slowly. Ask questions about anything you don't understand. Be flexible and willing to negotiate. The following five points are among the many items that merit attention:

1. What are the cutoff dates for inspections and approvals of the inspection reports? A typical contract provides an opportunity for the buyer to hire all manner of experts to check out the condition of the home. From the buyer's perspective, the more time that's allowed for these once-overs, the better. Sellers, on the other hand, usually want the inspections to be completed and signed off as soon as possible.
2. Who is responsible for making repairs, if any, as a result of the inspections? The fact that the buyer orders one or more inspections of the home for informational purposes doesn't obligate the seller to make repairs or modifications as a result of those inspections. In practice, however, inspection reports often are used to negotiate repairs of major problems or safety or environmental hazards that may be noted. The purchase contract should provide some guidance for these negotiations.
3. Is the seller making any representations or warranties regarding the condition of the property? In some contracts, the seller warrants that specified major components of the home (e.g., the roof or central heating or cooling system) are in good repair and working order at the close of escrow. Buyers should understand which components of the home are guaranteed and which are being sold "as-is."
4. Will a home warranty plan be purchased? A home warranty plan is a sort of limited insurance policy covering the basic major systems and appliances in the home. It may seem like a prize for the buyers, but it's equally important for the sellers and the real estate broker representing the sellers. In fact, these warranty plans are so popular among real estate agents that many of them will pick up the tab for the program in order to insulate themselves from irate buyers.
5. When is escrow scheduled to close? Pay attention to this date! If you're selling your home, you'll be expected to move out completely before the property changes hands. You'll want to make sure the closing date doesn't fall before you're able to move into your next residence. If you're buying a home, you'll be able to pick up the keys on the day escrow closes. You'll

want to make sure you don't give up your prior residence too soon. Don't cut the dates too close. Many escrows end up closing a day or two later than the contract states--but that can happen only with the mutual agreement of the buyer and seller.