

# **ADVENTURES IN MEDICINE**

**Career & Life Planning**

# **Checklist**

*Home Selling*

*Discovery Resource*

**CL-03**



# Home-Selling

## Step 1: Make Quick Fixes to the Exterior and Interior

**EXTERIOR:** First impressions can make or break the sale, therefore curb appeal is very important.

- Sweep sidewalk
- Keep your grass trimmed and mowed
- Trim hedges and shrubs and weed flower beds
- Plant flowers
- Clean gutters
- Fix chipped paint spots on trim, shutters and doors
- Organize and clean out the garage

**INTERIOR:** Buyers need to feel at home from the moment they walk through the door. The main entrance needs to be clutter-free and clean. Also, it's important that your house not have any strong odors — even if it's a potpourri smell. A strong smell can be distracting to the potential buyer. While on the market, your home should always be kept clean and organized and ready to sell. If your home has bulky furniture or a lot of knick-knacks and children's toys, it's highly recommended that you store those items. This will give you a jump-start on packing, and potential buyers will be able to see the home and picture themselves in it. If your home is too cluttered, they will have hard time seeing past your belongings.

- Do your spring cleaning early
- Repaint bold colored walls to neutral colors (neutral tones make a home easier to sell)
- Remove wallpaper to help with a neutral decor
- Clean carpets
- Do any DIY fixes (faucets, squeaky doors)
- Organize your closets and bookshelves
- Depersonalize the home — remove family photos
- Store items that are clunky, unattractive, or too personal

## Step 2: Price Your Property

- Check sales prices of comparable homes in your area/neighborhood
- Consider getting a home appraisal — do this if you need to substantiate your asking price and home value
- Know whether it's a buyer's or a seller's market
- If you are in a buyer's market, you can expect to have your home listed for a long time while buyers shop multiple homes and demand attractive negotiating terms
- If you are in a seller's market, you can expect to sell your home quickly at negotiating terms that favor you
- Set a realistic price so your home can sell in a timely fashion

## Step 3: Select Your Selling Method

- Understand the pros and cons of selling by owner or working with a Realtor
- A number of factors can favor one way over another, namely: your time commitment; your knowledge of the real estate market; your ability to screen buyers and negotiate contracts; and your need to protect your interests
- Another big determinant is the type of housing market that is in play — the For Sale By Owner (FSBO) strategy works better in a seller's market than in a buyer's market

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## **PROS FOR USING AN AGENT TO SELL YOUR HOME:**

The agent or broker will handle all of the work and selling issues for you. They will screen buyers, market your home through their agent network, show the house and negotiate with the buyers on your behalf. In addition, depending on the agent, they will have access to a vast network of other agents and brokers who represent buyers.

## **CONS FOR USING AN AGENT TO SELL YOUR HOME:**

It costs money for an agent's services — real estate commissions can average between 5-8% of the home selling price. This means that if the agent sells your home for \$150,000, his or her commission will range anywhere from \$9,000-\$12,000.

## **PROS FOR GOING FSBO (FOR SALE BY OWNER):**

Cost savings — anywhere from 5-8% of your total selling price. In addition, you control the selling process without contractual obligations.

## **CONS FOR GOING FSBO (FOR SALE BY OWNER):**

Time, commitment and your possible lack of experience and real estate networking — do you have the experience to show the house, screen buyers, and negotiate the contract? Going the FSBO route means finding buyers for your home. Agents belong to a network of real estate brokers who represent buyers and sellers. You will need to tap into that network to reach the majority of buyers, which can cost you.

## **Step 4: Showing Your Home (Open Houses, Scheduled Showings and Online Showings)**

- Understand this time will be stressful
- If you are working with an agent he or she will arrange and manage your home showings
- If you are working FSBO, you will need to arrange and manage these tasks yourself

### **When using an agent:**

- Choose an agent you trust and one who will work in YOUR best interest rather than his/her own best interest
- Don't sign a contract that ties you to the agent for lengthy time period — know the standard for your area
- Pick a day for an open house (usually two to three hours on a weekend afternoon)
- Ask to review all marketing efforts that the agent uses to sell your home — stay in control of the process

### **When going FSBO:**

- Take interior and exterior pictures when house is clean, clutter free, and has optimum sunlight
- Obtain necessary purchase contract forms
- Set a date for an open house (usually two to three hours on a weekend afternoon)
- Post your open house with basic info and pictures in local newspapers and online services
- If needed, hire a home stager (an expert on decorating and preparing homes to sell) to help prepare your home for an open house
- Advertise with sale signs, print listings in your local paper and online listings
- Advertise your open house a few days in advance with signs in the neighborhood and in the local paper
- Create flyers and email to local real estate agents (agents will sometimes show FSBO homes to active home buyers), include the following on your sales flyer:
  - Photos of the interior and exterior of your home for reference
  - Listing price
  - Square footage
  - Number of bathrooms
  - Number of bedrooms
  - Size of each room
  - Appliances and date purchased
  - List of amenities and any new upgrades (ie: new carpet, fresh paint, new appliances, etc.)
  - Distance to public transportation
  - Schools (names and addresses)

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## Step 5: Negotiate and Close the Sale

- Your goal is to maximize your asking price — be prepared to counteroffer and know your bottom line.
- Hire a lawyer to help with complex offers, mortgages, leases and contracts.
- Your selling contract should only include the essentials (e.g. attached lighting, heating, cooling, plumbing fixtures, etc.)
- The buyer will likely add items to the contract that they will want to remain with the house — just make sure you understand the financial impact and whether you can negotiate price for the requested added items.
- If you don't agree to the terms, simply strike them out of the contract, or you may negotiate these items as part of the sale.
- The buyer may request that a home warranty be included in the sales contract (A home warranty protects the buyer against costly repairs for one full year after the sale — covering items such as plumbing, electrical, built-in appliances, etc.)
- Sellers are not obligated to offer a home warranty, but it may be worth the price considering your negotiating stance.
- You (or your agent) will write up the contract that states price, earnest money requirement, and other terms and this will be presented to the buyer (or the buyer's agent)
- Expect the buyer to review every line item before they sign and once the contract leaves their hand and is presented back to you (the seller), they are legally bound by its terms if you accept the contract without any changes.
- Buyers will likely stipulate how long you have to respond to their offer (most terms allow for 48 hours to prevent sellers from shopping better terms and offers.)
- You may accept the buyer's offer as is and the contract then becomes binding on both parties; or you may reject the buyer's offer — making the contract non-binding.
- You may change the terms of the contract and counteroffer the original contract (it will then go back to the buyer as a new document, changes to the original document, or added pages to the original contract and the buyer can accept your counteroffer or walk away from the deal entirely and receive their earnest money back.)
- The buyer has the right to counter the seller's counteroffer by simply changing the terms of the seller's counteroffer as advised by their agent.
- The contract will come back to you as a counter-counteroffer and the process may repeat itself over again (the negotiation can go on forever, but most offers are reached on the 2nd or 3rd round.)
- Once both parties agree to the terms stated in the contract, the terms of the contract are binding on both parties.