

How To Quickly

# Sell Your Home For More

Avoid Costly Mistakes

And Walk Away With More Money

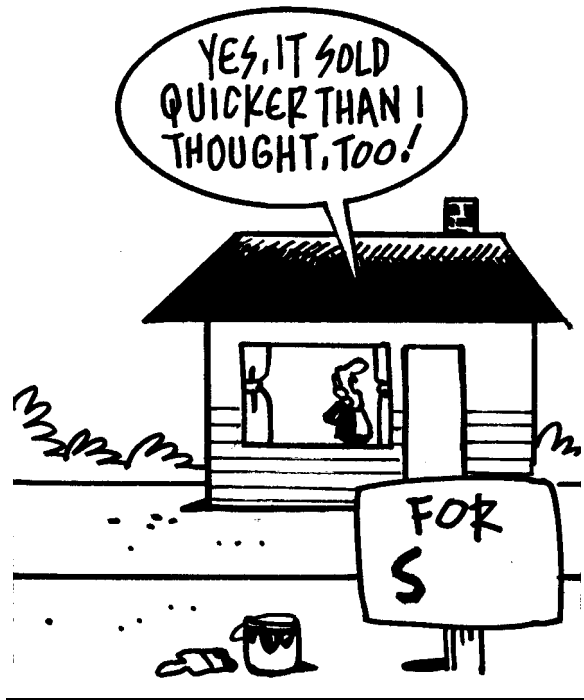
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## THE GOAL

Ending up with more money at closing is what counts. This money, called net return, is the selling price of your home less your debt and costs. Spending big bucks on improvements and marketing might get you a higher selling price but won't necessarily increase your net return. Your strategy is to do only those certain things that will likely increase your selling price more than the cost of doing them. Realize that you probably will not be able to do them all. This booklet will show you what to do and what not to do.



## GET PROFESSIONAL HELP

This book contains my opinions. Some material in this book may be affected by changes in law. I am not engaged in the rendering of investment, accounting, or legal services. If these services are required, I urge the reader to obtain them from a competent professional. Much of what follows may sound as though I am also trying to talk you into using a real estate professional. I confess, I am. For most home owners, selling is a rare event. Selling without the assistance of an experienced real estate professional is like representing yourself in court. As they say, you will be sure to have a fool for a client. Aside from the skills required, selling a home is a lot of work. Add up all the hours real estate professionals spend selling a home then subtract their numerous out-of-pocket expenses and you'll find they end up earning less per hour than any other comparable professional. In short, they're a bargain.

Real estate agents provide countless services such as:

- Implementing suggestions in this book.
- Representing you and protecting your interests.
- Providing up-to-date market information of recent sales and competing listings.
- Reviewing your disclosure statement.
- Acquiring school and crime statistics.
- Putting up a sign in your yard.
- Advertising your home.
- Complying with fair housing laws.
- Placing your home in the Multiple Listing Service.
- Creating and dispersing flyers.

- Prospect matching.
- Placing your home on various web-sites.
- Caravaning (touring other agents through your home)
- Marketing to other agents by word-of-mouth.
- Alerting out of state transferees and corporate relocation services.
- Screening prospects to protect you from “unwelcome sightseers.”
- Holding an open house.
- Showing your house whether you’re home or not.
- Responding to telephone inquiries about your home.
- Pre-qualifying prospects.
- Answering questions which prospects are reluctant to ask homeowners.
- Analyzing offers.
- Negotiating.
- Opening and managing the escrow.
- Writing and presenting counter offers.
- Consulting with attorneys.
- Acting as a buffer to keep the deal from getting too personal.
- Providing all the numerous required documents and forms.
- Handling inspectors and appraisers.
- Getting the Use & Occupancy permit.
- Resolving disputes.
- Acquiring estimates and bids.
- Arranging for repairs.
- Changing utilities.
- Clearing title.
- Preparing settlement documents.
- Taking the final walk-thru with the buyer.
- Attending and assisting you at the closing.

Remember, For-Sale-by-Owner signs and ads often attract lowball offers from deal-hunters expecting you to give them the commission in the form of a price reduction. This costs you three ways:

1. You lose the commission savings anyway.
2. You suffer the costs normally absorbed by the real estate professional.
3. You don’t get all the services the real estate professional normally provides.



## PLAY FAIR

You're entitled to all you can net out of your home. But some say that there is a fine line between salesmanship and deception. I disagree. Painting a room to improve cosmetic appearance is salesmanship. Painting a room to hide leaks on the ceiling is deception. The difference is clear. That is why I recommend that home sellers do four things. First, disclose everything you can about your home, including defects you know exist and even ones you merely suspect. Next, consider having a prelisting inspection performed by a member of NACHI, the National Association of Certified Home Inspectors and give every prospect a copy of the report. Third, encourage and allow prospects to perform their own inspections. Having taken steps that alert your prospects to the negatives frees you to emphasize the positives. Lastly, I recommend using a real estate professional to keep everything straight. Many a buyer happily paid full price after a real estate professional found them the right home. Both seller and buyer are winners when salesmanship is combined with honesty.

## PREPARATION

Think like a buyer. Prospects naturally want the best for themselves. They arrive at your front door wanting to find the right home. If you have done your preparation work, every room in your home will lead them to end their search. Get everything done before your first showing.



### **LANDSCAPE.**

- Make sure the lawn is neatly mowed, raked and edged.
- Prune and shape shrubbery and trees to compliment your home.
- Plant seasonal flowers along the walks and in the planting areas.
- Add an inch or two of bark mulch around your shrubs and trees.



## **REMOVE EVERYTHING THAT YOU CAN TEMPORARILY LIVE WITHOUT.**

Put everything you can into temporary storage, donate it to charity, sell it, give it away, or burn it. Removing everything from your home before putting it on the market...

- Makes your home look bigger.
- Allows a prospect to more easily imagine their own items in your home.
- Allows you to remove personal fixtures, such as grandma's chandeliers, now, so that you won't have to bargain over them later.
- Neutralizes the personality of your home.
- Gives the inspector greater access.
- Lowers the cost of packing and shipping items.
- Prepares your home for cleaning, painting, etc.
- Creates a possible tax deduction if you donate items to charity.

Tip: Videotape anything put into storage in case you later need to support an insurance claim or tax deduction.



**EMPTY AND ORGANIZE YOUR CLOSETS AND CABINETS.**

Prospects will look in closets and cabinets. Make them appear larger by emptying them.





### **CLEAN EVERYTHING.**

No house is too clean, and few things increase marketability as much as cleaning. Used car dealers wouldn't think of selling a car without detailing it first.

- Steam clean carpeting.
- Clean windows and storms inside and out.
- Scrub bathrooms, and keep them spotless.
- Degrease the oven.
- Clean the water heater, furnace, and anything else prospects will be paying extra attention to.
- Power wash your siding and deck if needed.

Tip: The kitchen is the heart of the home. It is the room that prospects will likely stop in and talk during a home tour. Clear all clutter from kitchen counters. Remove everything, even small appliances, to maximize the appearance of work space.

### **STOP SMOKING INDOORS.**

Cigarette smoke causes odors and stains. Now is the time to kick the habit, at least indoors.

## **REPLACE BADLY WORN OR STAINED CARPETING.**

Replace with inexpensive, neutral-colored carpeting. The worse your existing carpeting is, the better the return you'll get on this investment.

Tip: Use this opportunity to screw down loose and squeaky sub-flooring.



## **DON'T BUY ANY NEW MAJOR APPLIANCES OR FURNITURE.**

- They won't make your home look much better.
- The buyer will not reimburse you for them at full price.
- They cost money to move.
- They clutter up the place.
- The buyer may not share your taste.
- The prospect doesn't value them as much as they cost you.

Exception: Tasteful mirrors can help direct sunlight or make a home appear bigger.

Tip: Leave out owner's manuals to appliances that are included with the home.

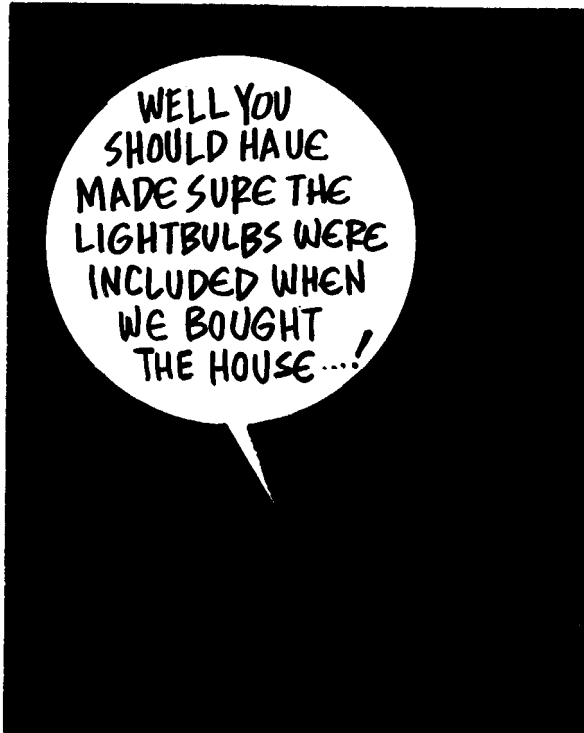


## **PAINT ANYTHING THAT NEEDS TO BE PAINTED.**

An investment in cosmetic improvement will bring a greater return than mechanical improvement. Consider painting basement walls, front door, metal railings and trim.

- Use neutral colors.
- Be neat.
- Label and leave the extra paint for the new owner. Moving companies won't transport it anyway.
- Don't paint unless you are good at it.
  1. Prospects will notice fresh paint if it's sloppy and wonder what you are covering up.
  2. A sloppy paint job is worse than no painting at all.

Tip: Take photos or video of everything before you paint it to prove you weren't covering up any major defects. Later you may need to demonstrate this to a prospect, inspector, or worse, a judge.



### **CHANGE LIGHT BULBS.**

Lighting has a tremendous impact.

- Replace burned-out bulbs so prospects can see how cheery your home is.
- Put in higher wattage, soft light bulbs to make your home brighter.
- Install lighting on stairs for safety.
- Add battery-operated lights to those closets that lack them.

### **BUY ALL NEW SHOWER CURTAINS.**

They are not worth washing.



### **REPLACE TOILET SEATS.**

- They are inexpensive and easy to replace.
- They make the whole toilet appear new.
- Visiting prospects inspect and may use the bathroom.

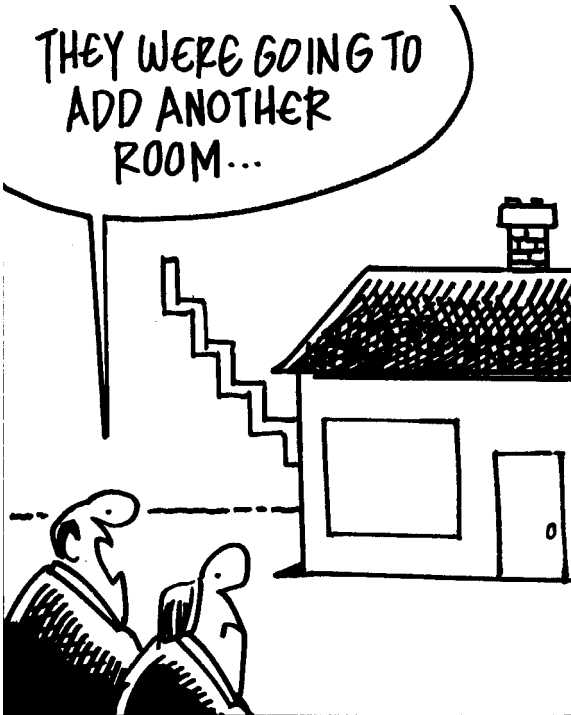
Tip: Remove personal cloth lid and tank covers.

### **IMPROVE THE DRIVEWAY SURFACE.**

First impressions are lasting impressions. The surface of your driveway should be beyond reproach. Seal asphalt driveways, patch concrete ones, or order a load of stone to spread. It is relatively inexpensive and is the first thing prospects see in sales photos or when they visit.

### **CLEAN YOUR GUTTERS.**

It may be raining when a prospect visits. Also, inspectors look for and note debris in gutters.



### **DON'T ADD ON TO YOUR HOME.**

- The only addition to you should want for your home is a sold sign. You simply can't recoup the cost of an addition when you go to sell.
- Often a neighborhood can't support your larger home and it is usually more difficult to sell the biggest house on the block.
- Additions often look like additions from the outside; it is difficult for contractors to make an addition blend in with your home's existing architecture.
- A prospect who wants an addition in the future may not be able to afford it now.

Tip: If lot size and zoning laws permit additions, get an official letter stating so. Include it in your prospect packets.



**DON'T REMODEL.**

Remodeling seldom pays you back; *Remodeling Magazine's* annual cost vs. value report shows that the cost of most remodeling projects are not 100% recouped when the home is sold. As shown in the following table, every time you sink money into these projects, you take money out of your pocket when you sell your home. For instance, adding a bath sends 28% of your investment down the drain. And a swimming pool returns as much value as a hole in the ground.

Project	Cost Recouped	Your Loss
Adding a bath	72%	28%
Remodeling a bath	71%	29%
Adding a family room	71%	29%
New kitchen	70%	30%
Adding a bedroom	65%	35%
Replacement windows	56%	44%
Swimming pool	0%	100%

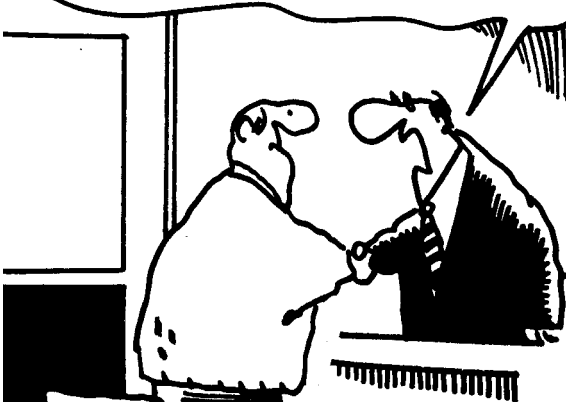


### **IMPROVE SAFETY.**

- Correct trip hazards in sidewalk.
- Remove clutter from walkways and stairs.
- Add lighting where necessary.
- Post signs to alert visitors to potential hazards such as low head room.
- Move stored items away from attic's pull down stairs.
- Install and/or secure stair hand rails.
- Cover exposed electrical junction boxes.
- Add GFCI's (ground fault circuit interrupters).
- Store chemicals out of reach of children.



WELL, GOOD LUCK WITH YOUR  
NEW CONDOMINIUM, MR. TRASK..  
- AND REMEMBER- IF ANYTHING  
AT ALL GOES WRONG WITH YOUR  
UNIT- ANYTHING- DON'T CALL ME!



## **HAVE YOUR HOME PROFESSIONALLY INSPECTED PRIOR TO PUTTING IT ON THE MARKET.**

Eventually your buyer is going to conduct an inspection. You may as well know what they are going to find by getting there first. Having an inspection performed ahead of time also helps in seventeen other ways:

1. You can choose a certified NACHI inspector rather than be at the mercy of the buyer's choice of inspector.
2. You can schedule the inspections at your convenience.
3. It might alert you of any items of immediate personal concern, such as radon gas or active termite infestation.
4. You can assist the inspector during the inspection, something normally not done during a buyer's inspection.
5. You can have inspector correct any misstatements in the inspection report before it is generated.
6. The report can help you realistically price the home if problems exist.
7. The report can help you substantiate a higher asking price if problems don't exist or have been corrected.
8. A seller inspection reveals problems ahead of time which:
  - might make the home show better.
  - gives you time to make repairs and shop for competitive contractors.
  - permits you to attach repair estimates or paid invoices to the inspection report.
  - removes over-inflated buyer procured estimates from the negotiation table.
9. The report might alert you to any immediate safety issues found, before agents and

visitors tour the home.

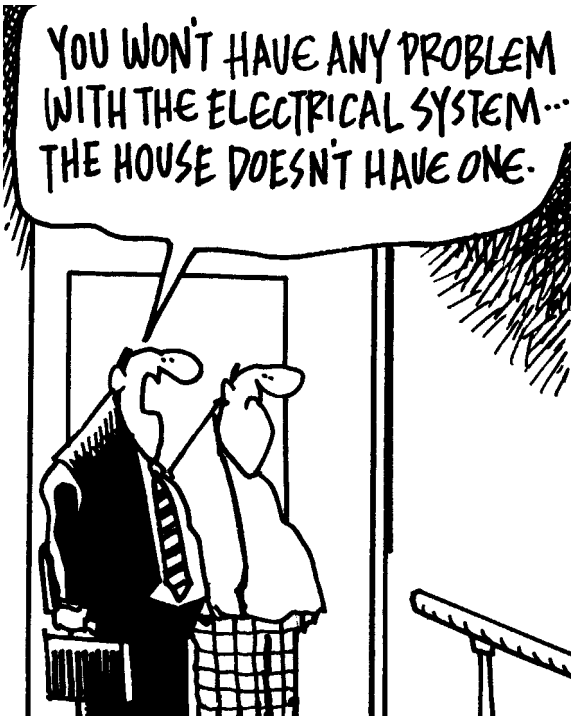
10. The report provides a third-party, unbiased opinion to offer to potential buyers.
11. A seller inspection permits a clean home inspection report to be used as a marketing tool.
12. A seller inspection is the ultimate gesture in forthrightness on your part.
13. The report might relieve a prospective buyer's unfounded suspicions, before they walk away.
14. A seller inspection lightens negotiations and 11th-hour renegotiations.
15. The report might encourage the buyer to waive the inspection contingency.
16. The deal is less likely to fall apart the way they often do when a buyer's inspection unexpectedly reveals a problem, last minute.
17. The report provides full-disclosure protection from future legal claims.

Include in your promotional packets, copies of the report along with receipts for any repairs made. Inspectors that specialize in seller's inspections can be found by visiting [www.InspectorLocator.com](http://www.InspectorLocator.com)



### **PREPARE FOR THE INSPECTION.**

- Remove dogs. Inspectors don't like getting bit.
- Sweep the chimney. Inspectors need to see up it.
- Move things away from the basement walls. Inspectors need to inspect the foundation.
- Clear a path to the attic access and electric panel.



### **MAKE NECESSARY REPAIRS.**

Of all the things homeowners control when selling their home, the condition of the property is the most important. There are probably some problems in your home that you have become used to. Attend to them now. A serious prospect will likely have a professional home inspection. Making repairs beforehand will leave less for the prospect's inspector to find. Repair all items that fall into the following 5 categories:

1. Any major defect such as a structural problem.
2. Small defects that lead to major defects such as a small roof flashing leak.
3. Items that may hinder your buyer's ability to finance, legally occupy, or insure the property.
4. Any safety hazard such as a missing blank at the electrical panel.
5. Minor items noticeable to prospects such as a leaking faucet.

Tip: Save repair receipts for tax purposes and for inclusion in your promotional packets.



**DON'T MAKE REPAIRS YOURSELF IF YOU ARE NOT QUALIFIED.**

- Your prospects or their inspectors may recognize sub-standard work.
- Doing it yourself may take too long.
- You could create a safety hazard.
- The value of your own labor is not tax deductible.
- You will be blamed for faulty repairs discovered later.

**ORDER A NEIGHBORHOOD ENVIRONMENTAL REPORT.**

Get a neighborhood inspection. Neighborhood Environmental at [www.NeighborhoodEnvironmental.com](http://www.NeighborhoodEnvironmental.com) will research your city and send you a report which includes everything from the status of local hazardous waste sites to health risks specific to your neighborhood. A clean report is a great selling tool.

**HAVE A SURVEYOR MARK THE BOUNDARIES OF YOUR PROPERTY.**

Prospects love this. It lets them see what they are getting. It is especially useful with large or irregular lots to prevent misunderstandings about your representation of the boundary lines

Tip: Have your surveyor note how far the nearest fire hydrant is. Some home owner's insurance policies provide discounts when hydrants are close.

## **PRICE**

### **HAVE YOUR HOME PROFESSIONALLY APPRAISED BY A QUALIFIED APPRAISER.**

This prevents you from pricing your home too low, a common mistake made by For-Sale-by-Owners. It also can help you avoid pricing your home too high. The prospect may automatically assume that you are asking for more than the home is worth. Your bargaining position is improved if you have an independent appraisal to support your asking price. Give your appraiser all information which could help justify a high price. Include copies of the appraisal in your promotional packets.

Tip: Offer the appraisal to your buyer's appraiser; the lender's appraiser will be more comfortable valuing your home higher if another appraiser concurs.

### **HAVE A COMPARATIVE MARKET ANALYSIS DONE BY A REAL ESTATE PROFESSIONAL.**

This CMA, showing what your home may be worth based on comparable homes in your market, is a must. It also...

- Provides you with a second pricing opinion.
- Gives you an opportunity to interview a local real estate professional.
- Can be presented to buyers during negotiations

Tip: Local real estate professionals are often more apprised of current market forces and usually perform this task for free.

### **CHECK OUT THE COMPETITION**

Visit all the local open houses. Price all the comparable homes that are for sale in your area. Read the real estate magazines. Call the classified real estate ads. Take off your seller's hat and become a buyer. See for yourself what the market says your home is worth.



**SET YOUR PRICE HIGH, BUT NOT TOO HIGH.**

A ridiculously overpriced home simply won't sell. Remember, prospects don't care what you paid for the home initially, what you have into it, or what you need out of it. Although supply and demand, season, mortgage rates, marketing, condition, location, neighborhood, schools and the local economy all affect price somewhat, you must be realistic. You will never find a prospect who is smart enough to have the money to buy your home, but too dumb to know it's ridiculously overpriced.

**SELLING PRICE IS RELATED TO PREPARATION AND PROMOTION.**

	<b>Poor Preparation</b> Home shows poorly.	<b>Some Preparation</b> Home shows fairly.	<b>Proper Preparation</b> Home shows well.
<b>Proper Promotion</b> Listing with top producing REALTOR. Strong marketing plan.	Price your home at what comparables are asking.	Price your home slightly more than what comparables are asking.	Price your home at what comparables with expired listings (homes that haven't sold in some time) were asking, or more.
<b>Some Promotion</b> Listing with average real estate agent. Mediocre marketing plan.	Price your home at what comparables recently sold for, or less.	Price you home at what comparables are asking.	Price your home slightly more than what comparables are asking.
<b>Poor Promotion</b> For sale by owner. Weak marketing plan.	Price your home less than what comparables recently sold for.	Price your home at what comparables recently sold for, or less.	Price your home at what comparables are asking.



### **CALCULATE THE BUYER'S MONTHLY MORTGAGE PAYMENT.**

For most buyers, monthly payment determines affordability. If you can calculate the buyer's monthly payment using 20% down, a 30 year term, and a competitive interest rate, you can translate the home into the buyer's terms. Car dealers regularly focus the customer on the monthly payment to emphasize affordability rather than sticker price. Affordability is ultimately determined by monthly payment anyway. You can use an on-line loan calculator or have your real estate professional provide you a lender's rate chart. Include this price calculation in your promotional packet.



## PROMOTION (marketing)

Promotion generates prospects. The more prospects, the more offers. The more offers, the higher the eventual selling price. It is a simple numbers game. If you get enough people to see your home, some of them will want to buy it.



### **YOUR BUYER CAN'T FIND YOUR HOME.**

Conventional marketing, like newspaper ads and for-sale signs, have always had one problem. Such marketing only reaches your local geographical area and your buyer may not even live in your country. Internet marketing reaches the whole world but it has one problem. Every competing home for sale is also being advertised on the internet. Your buyer still can't find you amongst the millions of other homes for sale. In some ways, conventionally marketing on the internet is already obsolete. The good news is that times have changed. Still using the internet, it is now easier and less expensive to find your buyer, rather than marketing enough for your buyer to find you. Prospect lead generation, computer matching, and target marketing using the internet is now the fast efficient way to find a willing and able buyer.

## **PREPARE PROMOTIONAL PACKETS.**

These can be big envelopes full of information about your home for potential home buyers (prospects). Make plenty of promotional packets available so prospects do not feel inhibited about taking one. They should include the following:

1. Plenty of pictures: Pictures remind prospects which home was yours out of the many homes they have seen. Take pictures that allow a buyer to imagine him/herself in the picture, so leave out the family and pets. A digital camera can make this easy and cost effective. These pictures should show your house at its very best:

- Clean.
- Nearly empty.
- Showing off your home's best features.
- Showing your pool open, if its winter.
- Showing your home in different seasons (go thru your photo album).
- Showing any improvements or additions, before and after.
- At angles that make the rooms look large.

Tip: With camera in hand, walk backwards thru the door until the picture frame fits just inside the door frame.

2. A disclosure statement: Your real estate professional can provide you with this standard form that is required by law in most states. The disclosure statement does three other things:

- Puts your prospect at ease.
- Identifies defects, thus removing them from the inspection contingency.
- Avoids future legal claims.

3. Copies of any warranties in effect.
4. Copies of property tax assessments.
5. A copy of a survey or plot plan.
6. A floor plan.
7. A copy of your title insurance policy.
8. A local map of the area with your house pinpointed on it.
9. A neighborhood profile including information about...

- schools
- theaters
- restaurants
- shopping
- recreation
- parks
- libraries and museums
- public transportation

- police
- fire department
- hospitals

10. Web address.
11. Copy of appraisal.
12. Copy of inspection report.
13. Copy of your environmental report.
14. A list of personal property that comes with the house (curtains, chandeliers).
15. The price of the home in terms of monthly payment.
16. A letter from your local authority stating an addition is possible.
17. A note stating how far away the nearest fire hydrant is.
18. A personal handwritten letter saying what you liked most about living in your home and advance well-wishes to the new owner.



### **BUILD A CUSTOM WEB SITE FOR YOUR HOUSE.**

Show off your home on-line. This is a boon to timid or forgetful buyers. They can re-visit your home over and over on-line without need of an appointment. Your web page should include:

- Many pictures.
- Local school and crime statistics if available.
- Links to local web-sites for parks, restaurants, and Chamber of Commerce.
- An offer to mail them a promotional package.
- Your email address for feedback.

Tip: Put web address on your advertisements, promotional packets, and for-sale signs.

### **MAKE A CD OR FLOPPY DISK BROCHURE AND TOUR OF YOUR HOME.**

You can put a tour of your home on a CD or floppy disk. Include digital photos and highlights of your home. To include streaming video and sound you'll need some extra expertise.

### **MAKE A PROMOTIONAL OUTGOING ANSWERING MACHINE MESSAGE.**

Give callers a sense of what's best about your home, but don't make it too long. You want them to leave a message so that you can follow up.

Tip: For security purposes confirm their phone number. Use caller ID or allow the answering machine to take the message even when you are home. Then call them back.



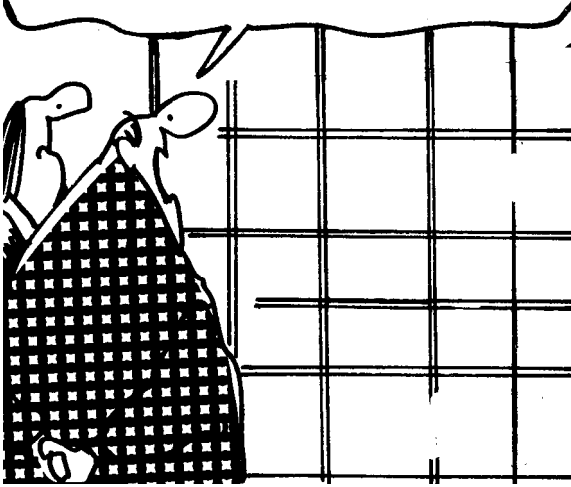
### **MAKE A PROMOTIONAL FAX SHEET OF YOUR HOME.**

When a prospect calls, you can offer to fax out this sheet that includes:

- A description and main features of your home.
- A small map and directions.
- Contact numbers.
- Your home's web address.

Tip: Keep a record of these fax numbers so that you can refax them updates or open house announcements.

AND THE LARGE AREAS OF GLASS  
GIVE YOU A GREAT VIEW OF  
THE LITTLE BOY WITH A SLING-  
SHOT WHO LIVES NEXT DOOR...



### **ASK YOUR NEIGHBORS FOR HELP.**

- Ask them to keep junk cars parked indoors.
- Propose that you both cut grass at the same time.
- Encourage them to introduce themselves to prospects.
- Ask them or pay them to watch your pets or kids during showings so they aren't under foot.
- Ask them if they have any friends or relatives who might be interested in your home.
- Give your neighbors a supply of promotional packets and ask that they give them to:
  1. Friends and relatives that might be interested.
  2. Drive-by prospects that stop by when you are not home.

### **INSTALL OUTDOOR LIGHTING.**

Shine lights at the outside of your home, particularly trees or landscaping, and at your for-sale sign.

- Outdoor lighting makes a home for sale quite noticeable if done correctly.
- Night lighting markets to people who see your home only during night hours.
- A home lit up at night often looks more attractive and warmer than in broad day light.
- It increases safety for visiting prospects unfamiliar with your exterior.



**SET UP A “FREE-TAKE-ONE” BOX IN YOUR FRONT YARD.**

Keep it full of promotional flyers. Make sure these flyers don't tell everything. Give prospects a reason to want to tour your home.



### WRITE A “KILLER” AD.

Buyers are out there now. Every day they read thousands of ads in newspapers, real estate magazines, and the internet. Attracting them is not easy. Give more thought to this step than anything else you do. Writing an ad that works is no accident. Here are 4 basic goals:

1. Get the attention of prospects. If you fail to do this, the rest won't matter.
2. Feed their curiosity with facts about your home but leave out some information. Include a few enticing highlights and reveal the community but not the number of bedrooms nor full address unless its an open house.
3. Screen out prospects with price and location. More people will call about properties priced within their budget and are located within the area they desire.
4. Give valid prospects a reason to call. Example: to receive free promotional packet.

Tips: Include in the ad features that denote character or charm. Emphasize mechanical reliability only after prospects respond.

- Ads for condominiums and senior living communities should emphasize the benefits of such lifestyles.
- The ad must comply with fair housing laws.

Keep it real. Ad writing is not the time to be humble but don't exaggerate just to get prospects to respond. The author once wrote an open house ad that drew so many prospects that the local police had to come out to direct traffic. Yet, none of the visiting prospects made an offer. Too bad the home wasn't as good as the ad.





### GET THE WORD OUT.

You need to maximize your exposure. According to the National Association of REALTORS, the average prospect looks at 18 homes before purchasing. Make sure one of those homes is yours. The percentage of prospects that are both willing and able to pay top dollar for your home is small. The only way to find them is to market your home to many. It is difficult to do this armed only with a for-sale-by-owner sign and luck. A real estate professional can maximize your home's exposure by offering a portion of the commission to thousands of other real estate professionals, each with their own pool of buyers. The system works.

I WANT YOU TO THINK OF ME  
NOT AS A REALTOR, BUT AS  
A FRIEND, MR. GRADY... A  
FRIEND WHO WILL BE VERY  
VERY MIFFED IF THIS DEAL  
DOESN'T GO THROUGH...



#### **OFFER A BONUS TO THE BUYER'S AGENT.**

Advertise a cash bonus to the real estate professional that brings you an offer. In theory, a buyer's real estate professional is supposed to show his client homes without regard to the commission or bonus's offered. However, in practice, a buyer's agent, like you, is motivated by only two things: The first is money. I can't remember what the second thing is. Another version of this promotion is to simply increase the commission offered to the cooperating (buyer's) agency.

Tip: This bonus offer is an amenity for the other real estate professionals. Make sure it is prominently announced in the Multiple Listing Service.

## **PRESENTATION (the showing)**

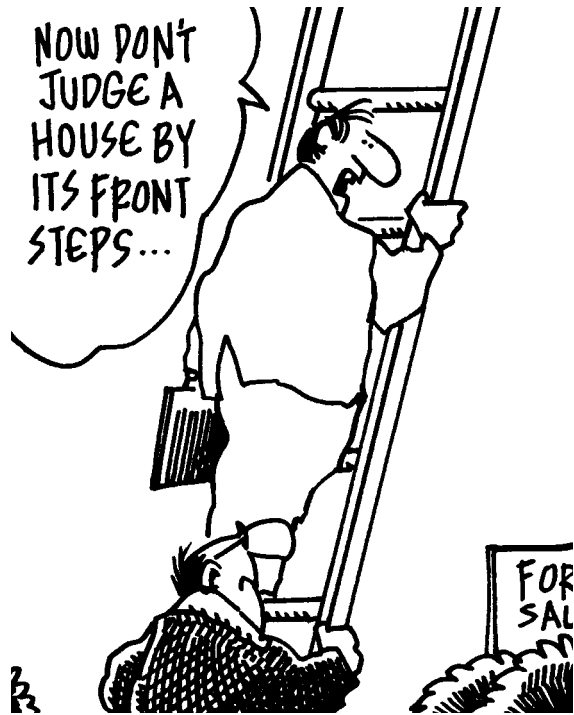
A crucial part of selling anything is the staging and presentation of the product.



### **PROVIDE ACCESS.**

If buyers cannot see your home, they won't offer to buy it. Today, qualified prospects have busy schedules. You also have a busy schedule. Most qualified prospects are actively looking at several possible homes. Timing is everything. If they can't get into your home, they may make an offer on another one. Worse yet, the best buyers are often the ones who need to move right away or are out-of-town buyers. Their schedules are even tighter.

Tip: Real estate professionals can keep your doors open to prospects by way of a lock box that allows themselves and other licensed agents to show your home. They can accommodate a prospect's schedule when perhaps you can't.



### **MAXIMIZE YOUR HOME'S FIRST IMPRESSION.**

First impressions are lasting impressions and are likely to color the remainder of the house tour.

- Make sure your doorbell works.
- Check for screen tears.
- Wash storm door glass and entry window panes.
- Install a nice brass door knocker (not one with your name engraved).
- Buy a fresh *welcome* mat.
- Add a tub of geraniums.



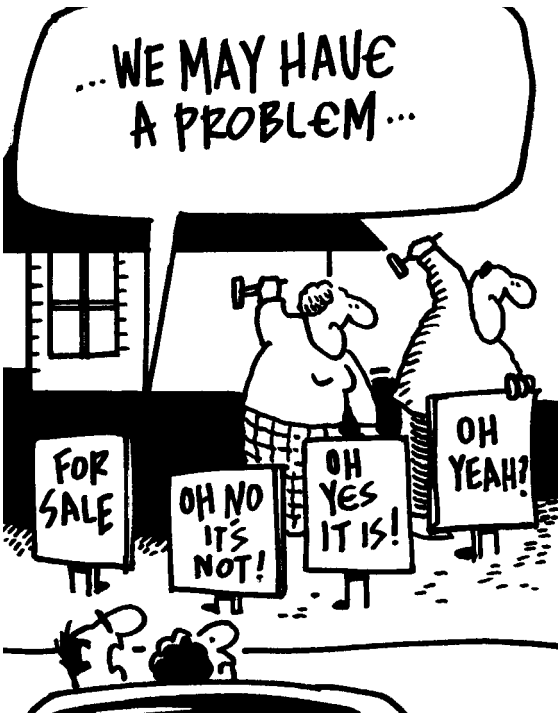
### **OPEN THE FRONT DOOR.**

If weather and insects permit, leave the front door open just prior to a showing or during an open house.

### **PROVIDE A GUEST REGISTRY.**

A guest registry or sign-in sheet should include spaces for prospects to print their name and phone number. Use it to follow up with any changes to your home and to gather feedback.

Tip: Specifically omit a place for the date. Each new visitor that registers will assume that the previous guests are all recent competing prospects about to make an offer.



#### **POST NOTES.**

- Asking visitors to sign the guest registry.
- Highlighting features and amenities of your home (alarm system, whirlpools).
- Alerting visitors to safety hazards (low hanging light fixtures).
- Pointing out examples of better than average construction (insulated windows).
- Explaining any current repairs being made (“this faucet being repaired”).
- Listing items that are included in the sale (chandelier, dishwasher).
- Inviting shy prospects to open or enter (walk-in closets).
- Instructing prospects to try something (“turn on gas fireplace”).
- Offering them a promotional packet (“please take one”).

#### **ADD SMALL DETAILS.**

People don't buy the physical specifications of your home, they buy how they think they will feel in your home. Study furniture store showrooms to see how flowers, an open book on a coffee table, or a brightly colored pillow on a couch can add dimension to a sterile room. Set up a badminton or volleyball net to suggest a scene of family fun. Be creative.

Tip: Don't create distracting clutter or turn your home into a country craft store.



### **GET RID OF PETS.**

You may think your pets are cute and cuddly, but the National Association of Realtors says that about half of all prospects are either afraid, allergic, or turned-off by pets and pet odors. Even some normally friendly dogs react aggressively when prospects enter areas of the home normally not visited by guests.

Good idea: Keep pets out from under foot during showings.

Better idea: Move pets out before each showing.

Best idea: Move pets out for the entire time your home is on the market.

Tip: Keep outside pet droppings cleaned up. Prospects will want to walk around your yard, especially during the home inspection.

### **REMOVE ODORS.**

Visitors will notice odors that you may have gotten used to. Mildew, cooking, tobacco, and pet odors can be objectionable. Try to remove the sources of these odors rather than mask over them. Once removed, consider adding delightful smells. Studies have shown that humans have strong responses to odors.

- Add a row of sweet-smelling alyssum to the front sidewalk.
- Don't smoke indoors.
- Remove pets.
- Be conscious about what you cook.

- Run your dehumidifier.
- Air out the house.
- Open windows and doors.
- Turn on bath and attic fans.
- Spray air freshener into garbage disposer, bathrooms, whole house vacuums.
- Hang a bag of cedar chips or pomander ball in the entry closet.
- Bring in flowers.
- Bake cinnamon bread.

Number one offensive odor: Cats.



#### **LIGHTEN UP.**

- Open drapes and blinds to let the sun in.
- Turn on lights before a showing.
- Light gas fireplaces.





### **SET THE TEMPERATURE.**

A showing is no time to have your home cold in the winter or hot in the summer. Run the furnace or air conditioner accordingly. Prospects often equate room temperature with heating and cooling strength.

### **OPEN UP EVERY INTERIOR DOOR.**

This makes your home appear larger, it improves traffic flow and welcomes shy prospects to wander around.



## **LEAVE YOUR HOME.**

If you are being represented by a real estate professional, be absent for all showings. Studies have shown that when sellers are present for a showing, buyers tend to:

- Feel less welcome.
- Ask fewer questions about the house.
- Rush through the tour.
- Find it more difficult to imagine your home as theirs.
- Be less revealing about themselves and their concerns.

If you can move out before the house goes on the market, do so. Just remember to:

- Cancel deliveries.
- Keep utilities on.
- Keep grass cut.
- Shovel snow.
- Keep the house clean.
- Check with your insurance agent.

If you must be home during a showing, politely introduce yourself then retire to one room, keep a low profile, and give the real estate professional and prospect some space. Selling is a team effort, but sometimes part of the team should wait on the bench.



### **USE AUTOMATED SELLING ASSISTANTS.**

Program your computer to run a continuous presentation that helps visitors notice the positive aspects of your home. Technically-savvy sellers can even make it somewhat interactive. Another simpler idea is to create a continuous loop video presentation to play on your TV. This is especially helpful during an open house when your real estate professional has more than one visitor at a time.



### **DON'T USE A SHOWING TO SELL YOUR SECOND-HAND FURNISHINGS.**

If you want to have a garage sale, do it before you put your home on the market . Offers to sell items you don't want...

- Distracts prospects from the business at hand: viewing and focusing on your home.
- Reminds prospects that your home is also second-hand.
- Makes you appear desperate to sell quickly or at least reveals your time table.
- Opens the door for further haggling over the price of your home.

Exceptions:

- Custom items that match or belong with the house.
- Items economically wise to leave behind.



### CREATE A GAME PLAN.

Write out a list of delegated tasks for each member of your family. Your home must be ready to show at all times. You never know when the alarm will sound.

## DURING NEGOTIATIONS

Once an offer is made, the real work begins.



### **DON'T REVEAL ANYTHING UNNECESSARY.**

Loose lips sink ships. While you should be open and honest about everything that has to do with the condition of the house, you don't have to reveal anything that weakens your negotiating position or makes you look desperate to sell such as:

- Financial difficulties.
- Employment relocation schedule.
- Desire to move before school starts.
- Pending divorce.
- Difficult neighbors.
- Other offers.
- Negotiations with other prospects.
- Original purchase price.

### **PROBE YOUR PROSPECT.**

Information is power. Try to determine the prospect's situation and level of urgency. How long has the prospect been looking? What is the status of the prospect's current home? How soon does the prospect need to be settled?

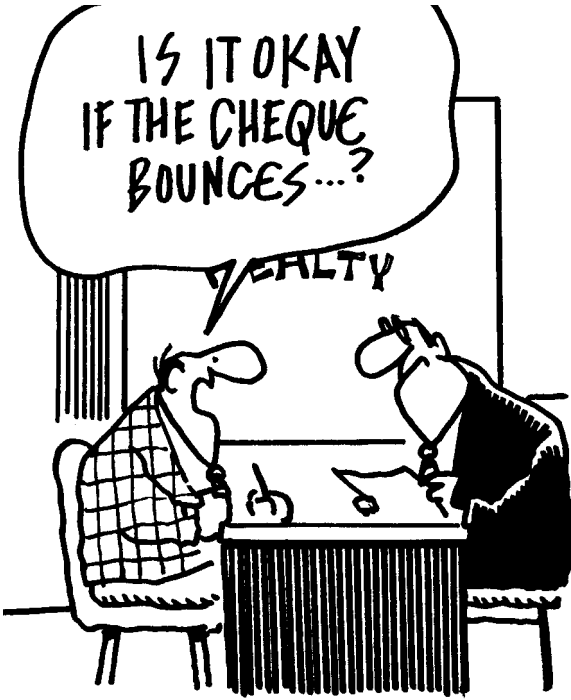


**DON'T ACCEPT AN OFFER FROM A PROSPECT WHO IS NOT QUALIFIED.**

This can cause you to miss the qualified ones.

- Pre-qualified buyers have already been told they're likely to qualify for the loan.
- Pre-approved buyers have a tentative loan commitment from a lender.

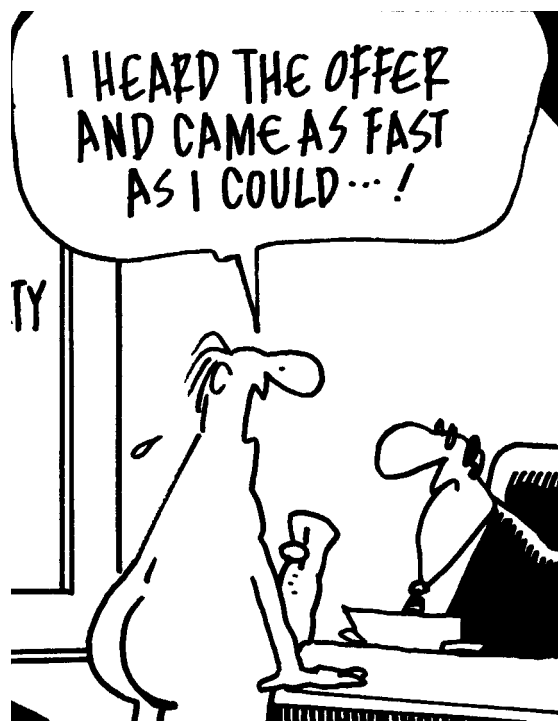
Tip: Your real estate professional can pre-qualify prospects to avoid wasting time.



### **REQUIRE MORE HAND MONEY.**

The hand money or earnest deposit is given when an offer is made. Even though it is usually placed in the listing agent's escrow account, try to get as much as possible. This will help stop the buyer from changing his/her mind, walking away and forfeiting this money.





### **RESPOND TO OFFERS QUICKLY.**

Don't elect to wait a period of time before entertaining offers. You may be tempted to put your home on the market for a time before entertaining offers in the hope that you can then pick the best offer. This often offends buyers or prompts them to continue looking at other properties. Instead, allow each offer to be presented immediately. Keep the dialogue open. Remember, moods change and buyer's remorse comes on quickly. An offer is not a sales agreement until you sign it and return it to the buyer. Until then, an offer can be rescinded.

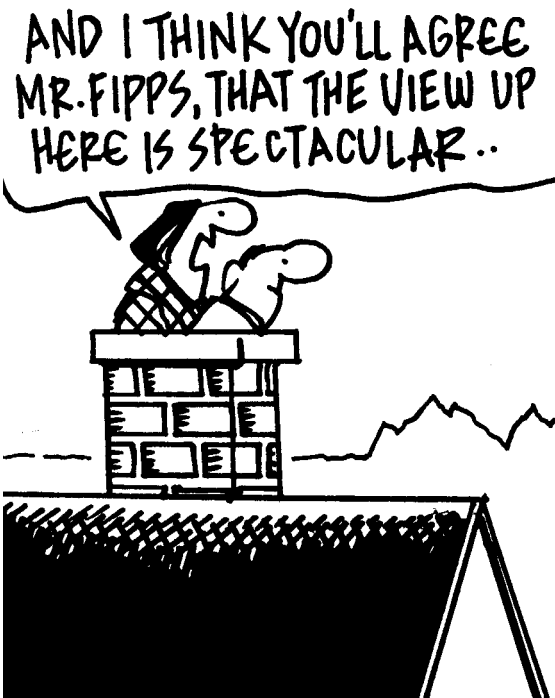
Exception: In some areas it is customary to wait to hear offers until after the first open house. Going against local commonly-practiced customs can cause buyers to become suspicious. Ask your real estate professional for guidance.

Tip: Try to have buyer and buyer's real estate professional present the offer to you or your real estate professional in person so that you have an opportunity to ask questions about the buyer and their offer.



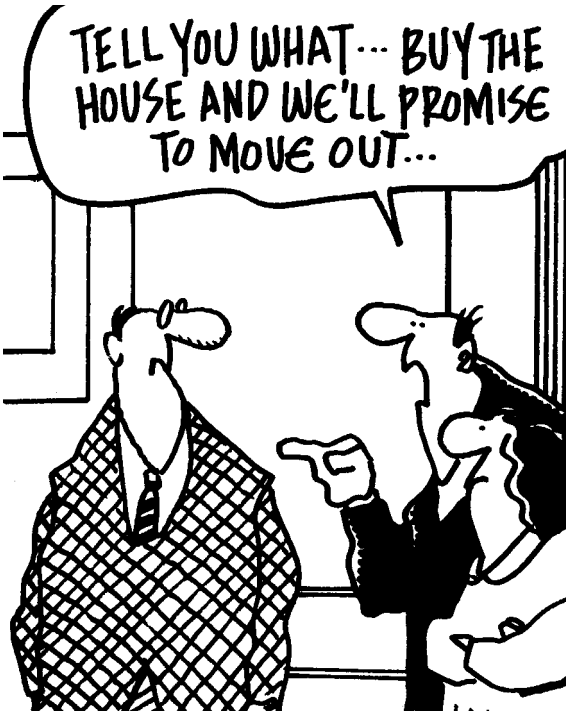
## HANG TOUGH.

Don't come down too fast. If you want more money, convince the buyers that it's in their best interest to give it to you. Show them the statistics on comparable homes that sold for more. Remind them of the costs of the improvements you've made. Tell them of other offers. Push them. Don't be passive. Negotiation is work.



**KEEP SHOWING THE PROPERTY.**

By continuing to show, you keep pressure on the buyer until all contingencies have been removed. It also provides backup options should your first deal fall through. Of course, never sign two agreements; this can be a legal disaster.



**BE FLEXIBLE.**

Especially on terms that cost you little but are valuable to the buyer (win-win).

- Move-in date.
- Settlement date or place.
- Financing.

Tip: A seller's assist typically allows a buyer to pay more for your home than the assist costs you.



### **SWEETEN THE DEAL WITH PERSONAL PROPERTY.**

While you don't want to try to sell your second-hand furniture to prospects, you may want to include some personal property as part of the package to sweeten the deal. Many items aren't worth moving and some things that are custom to the home would be more valuable to your home's new owner than they are to you. This is especially true once you subtract the costs of moving them. These items may include:

- tractors
- appliances
- carpets
- curtains and drapes
- storage sheds
- pool tables
- chandeliers
- swing sets
- bars

Tip: For each item, consider the value it adds to the home vs the value it has to you after subtracting the cost of moving it.



### SHOULD YOU OFFER A HOME WARRANTY?

There are good arguments on both sides of the issue. See the chart below. If a prospect demands a warranty, and it's the only issue preventing a sale, then by all means, give him the home warranty. Otherwise, save your money. Your real estate professional can also give you insights on whether it is a wise move in your particular case.

PROS	CONS
Removes some of the prospect's worries.	Will not make your prospect want your home.
Causes some buyers to think that your home had to be good enough to qualify for the warranty (often true).	Drums up negative images about your used home.
Covers claims while the home is still on the market.	Is valued by most prospects at an amount less than it costs you.
Reduces your liability.	Reminds prospects of often overlooked costs of home maintenance.



### CONSIDER OFFERING SELLER FINANCING.

You can make your home more attractive than your competition by making your financing more attractive. Seller financing is one of the best ways to get a property sold and to end up with more money. Some advantages of seller financing are:

- It is simple. The buyer makes monthly payments to you instead of to a bank. For a small monthly fee you can even have the contract managed by a servicing agency
- It increases the number of prospects for your home.
- A buyer is often willing to pay full price for your home if you are his source of financing.
- Your deal does not rely on a conventional lender's appraisal.
- It lowers your taxes by changing the lump sum payment into installments so that the taxes are deferred over time.
- You get steady income from the interest earned. It is usually at a higher rate of return than conventional investment vehicles.
- You can use the seller financing as an estate planning tool.
- It is low-risk. If the buyer defaults, you get the home back and keep all the money the buyer paid.

Tip: Ask for a large down-payment. The bigger the down payment the lower the risk of your buyer defaulting.



**WATCH THE CLOCK.**

Both buyer and seller have to do certain things within a certain amount of time. Even your responses to the buyer must follow a set timetable.



## **REMINDERS**

### **SAVE YOUR RECEIPTS.**

Up to \$500,000 of any capital gain realized on selling your home is excluded from taxation (\$250,000 for singles and those using married, filing separate status). Your home must have been your principal residence for at least 2 of the 5 years leading up to the sale. If your gain is larger than your exclusion, you can reduce the tax by deducting from the sale profit the cost of:

- Improvements and repairs.
- Broker's commission.
- Advertising and marketing (prospect packets).

Tip: IRS publication #523, "*Selling Your Home*" is available from the IRS for free. Also, if you are moving because of a job change, your moving and storage expenses may be deductible. IRS publication #521, "*Moving Expenses*" is also available for free. Acquire both by calling (800) 829-1040.



### **COLLECT WHAT'S YOURS.**

Get reimbursement for money you are due at and after closing. Some of these monies will be prorated. Others are entirely yours. Examples:

- Pre-paid property taxes.
- Insurance premiums.
- Utility deposits
- Water and sewer deposits

### **FINAL REMINDER.**

Selling your home isn't just a business transaction. It's a rigorous endurance test. The way one prepares and conducts oneself will determine success. The Boy Scouts of America have it right. Following their thinking throughout the process will earn you more than just a merit badge.

*Scout Law: A Scout is trustworthy, loyal, helpful, friendly, courteous, kind, obedient, cheerful, thrifty, brave, clean, and reverent.*

*Scout Slogan: Do a good turn daily.*

*Scout Motto: Be prepared.*



**The End.**