



**RIGGS
BROKERAGE**
& ASSOCIATES

THE
REAL ESTATE GUIDE
for Sellers



THE RIGGS BROKERAGE & ASSOCIATES, LLC



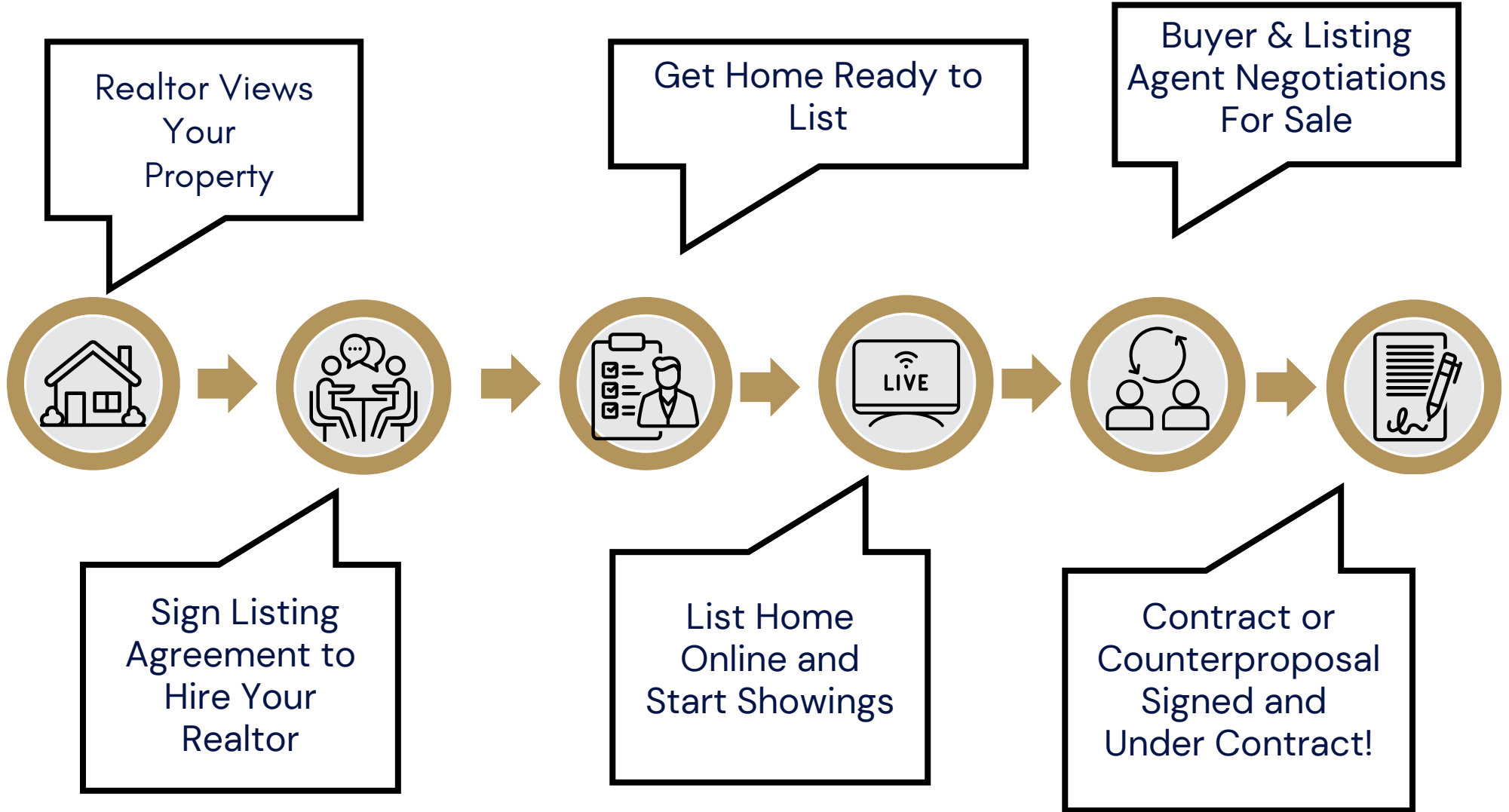
BUILT ON TRUST.

ROOTED IN COMMUNITY.

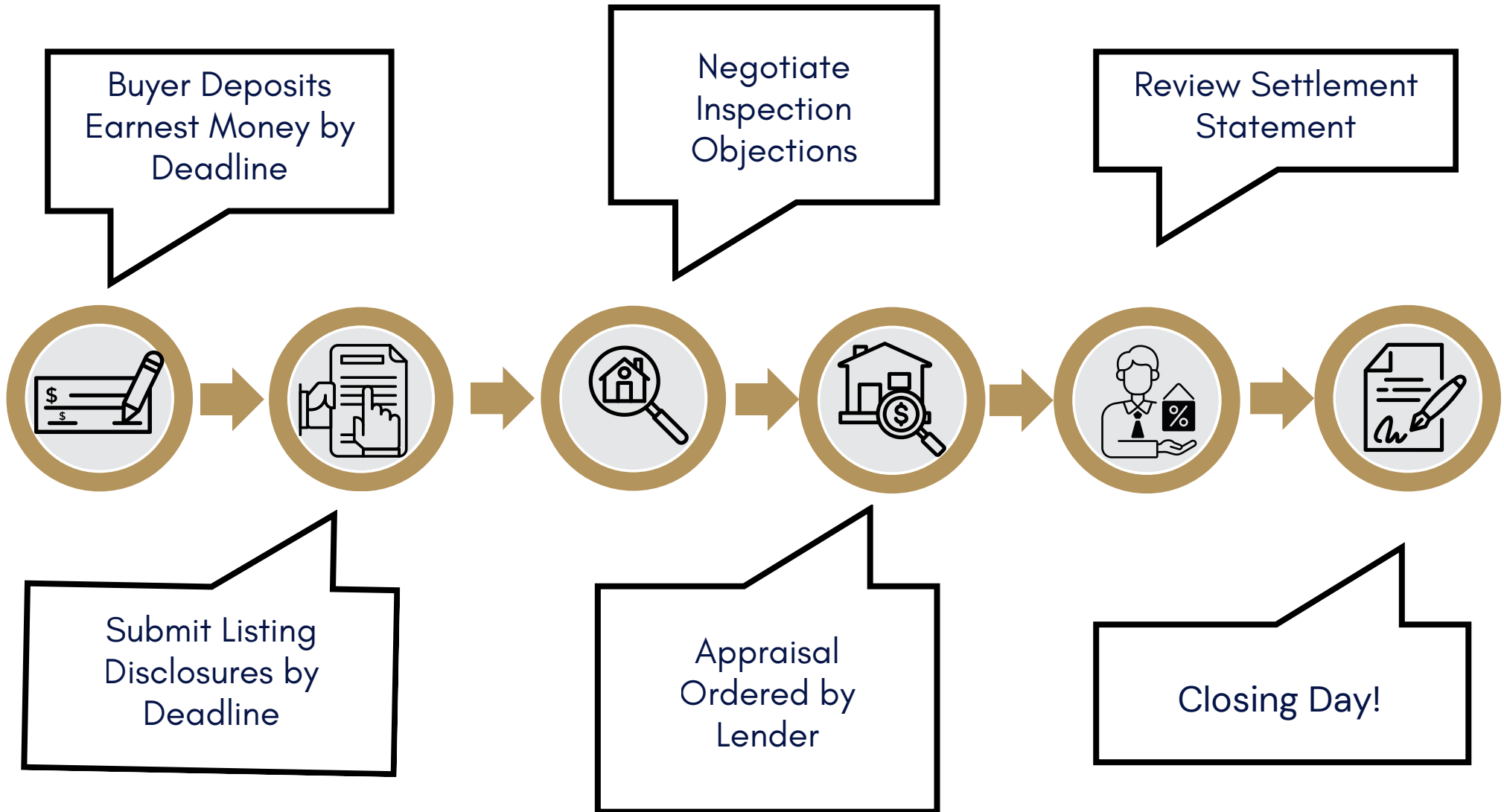
FOCUSED ON RESULTS.

SELLING PROCESS

LISTING TIMELINE



SELLING PROCESS PENDING TIMELINE



DEFINITION OF WORKING RELATIONSHIPS DISCLOSURE

These are the different ways a real estate agent can represent you in a transaction:

Seller's Agent: A seller's agent (or listing agent) works solely on behalf of the seller to promote the interests of the seller with the utmost good faith, loyalty and fidelity. The agent negotiates on behalf of and acts as an advocate for the seller. The seller's agent must disclose to potential buyers all adverse material facts actually known by the seller's agent about the property. A separate written listing agreement is required which sets forth the duties and obligations of the broker and the seller.

Buyer's Agent: A buyer's agent works solely on behalf of the buyer to promote the interests of the buyer with the utmost good faith, loyalty and fidelity. The agent negotiates on behalf of and acts as an advocate for the buyer. The buyer's agent must disclose to potential sellers all adverse material facts actually known by the buyer's agent including the buyer's financial ability to perform the terms of the transaction and, if a residential property, whether the buyer intends to occupy the property. A separate written buyer agency agreement is required which sets forth the duties and obligations of the broker and the buyer.

Transaction-Broker: A transaction-broker assists the buyer or seller or both throughout a real estate transaction by performing terms of any written or oral agreement, fully informing the parties, presenting all offers and assisting the parties with any contracts, including the closing of the transaction without being an agent or advocate for any of the parties. A transaction-broker must use reasonable skill and care in the performance of any oral or written agreement, and must make the same disclosures as agents about all adverse material facts actually known by the transaction-broker concerning a property or a buyer's financial ability to perform the terms of a transaction and, if a residential property, whether the buyer intends to occupy the property. No written agreement is required.

Customer: A customer is a party to a real estate transaction with whom the broker has no brokerage relationship because such party has not engaged or employed the broker, either as the party's agent or as the party's transaction-broker.

NOTE: A real estate agent cannot be dual agency in Colorado. This means that an agent cannot represent a buyer and seller as their "Agent" in the same transaction. If a buyer does not have a real estate agent and wants to buy your home, your agent could represent them as a customer but cannot be their "Buyer's Agent". Your agent works solely on your behalf and cannot advise or negotiate for the buyer.

EXCLUSIVE RIGHT-TO-SELL LISTING CONTRACT

The exclusive right-to-sell listing contract includes:

- The services the agent will be providing.
- The price of the home will list at, the earnest money amount, and the title company to be used.
- A specific disclosure of the amount or rate of compensation the real estate agent will receive or how this amount will be determined. The compensation must be objective (e.g., \$0, X flat fee, X percent, X hourly rate)—and not open-ended or a range.
- A disclosure of the amount or rate of coop compensation to be offered to the buyer's agent.
- A statement that prohibits the agent from receiving compensation for brokerage services from any source that exceeds the amount or rate agreed to in the agreement with the seller. Commission can be changed anytime with an amend/extend contract.
- A statement that broker fees and commissions are fully negotiable and not set by law.

Things to know as a seller:

- “For sale by owner” transactions are almost always a disaster, leading you to sacrifice both money and time. A professional real estate agent will advise, advocate and negotiate on your behalf.
- Your agent will run a comparable market analysis to determine the best listing price.
- Starting August 17th, commissions are no longer posted online and buyer's agents will be calling the listing agent to ask if the seller is offering a coop commission. Commissions are always negotiable, but I am still advising my sellers to offer a coop commission.



THE EXCLUSIVE RIGHT-TO-SELL LISTING CONTRACT

Section 3.7: Listing Period

This is the period of time you hire your realtor for a set commission. Once the end-date has passed, the contract is inactive.

Section 5: Brokerage Duties

Defines the “uniform duties” of the agent to the seller upon the execution of the contract as a “seller agent” or “transaction-broker”.

Section 6: Additional Duties of Selling Agent

Defines the additional duties of the agent if “seller agent” is checked at the top of the contract.

Section 7: Compensation to Brokerage Firm and Cooperative Broker

Defines commissions to the listing agent and buyers agent/cooperating broker. These must be defined objectively and cannot be a range or open-ended values. Commissions are always negotiable between the seller and brokerage. No commissions can be posted online.

Section 9: Multiple Listing Services (MLS) for Marketing

This section the seller agrees to market their listing on MLS, defines who is allowed on the property, details the lockbox information, allows pictures to market the property, and defines on other brokerage duties.

Section 10: Seller’s Obligation to Broker

The seller confirms that there is no other exclusive contract signed with any other agent. The seller agrees to refer all communications to the broker.

Section 11: Price and Terms

Sets the list price of the home, what loans the seller will accept, sets the earnest money amount, and how the seller would like the net proceeds at closing.

Section 13: Inclusions and Exclusions

Lists what is included in the transaction unless otherwise specified. Defines any leased items, such as solar panels. Defines the parking for the property. And if there are water or well rights.

Section 14: Title and Encumbrances

Defines the type of title that will be conveyed and that all monetary encumbrances (mortgage, deeds, liens) are all paid by the seller at closing.

Section 16: Association Assessments

Defines any monthly HOA dues and special assessments for the property.

Section 19: Default; Right to Cancel

Defines when the contract can be cancelled by either the seller, broker, or brokerage.

Section 25: Legal & Tax Council

All documents signed have important legal implications. If seller has any questions, legal or tax counsel is always advised.



LISTING / BROKERAGE DISCLOSURES

Seller's Property Disclosure

Sellers must reveal any known details about the property's condition and its defects in this disclosure. The water provider contact information needs to be in this document. Information on radon detection and mitigation is required as of 2024.

Square Footage Disclosure

The square footage disclosure states who measured the square footage of the property.

Closing Instructions

Defines the closing company and states they agree to provide settlement services in connection with a transaction for the sale and purchase of a property.

Lead Based Paint Disclosures

The lead-based paint disclosure must be issued to all tenants and potential buyers for residential properties built before 1978 to outline the property's history of exposure to lead-based paint. If there has been not lead detected or reported in the home, then the seller will select these boxes and sign.

Coop Commission Disclosure

This disclosure describes the commission for the transaction. Please review the information and sign.

Definition of Working Relationships

This disclosure describes the different ways a real estate agent can represent you and that you are aware of these different representations. Please review the information and sign.

Seller Association Authorization

This gives title the authorization to pull the HOA documents for the buyers and lender.

Amend to Listing Contract

This would be used if information in the exclusive right to sell listing contract such as the list price, commission amount, or the listing contract dates.

Addendum A to Exclusive Contract

This document goes through the listing agreement in more detail. Before signing, please read through and check the boxes that apply to you, then sign and initial the document.

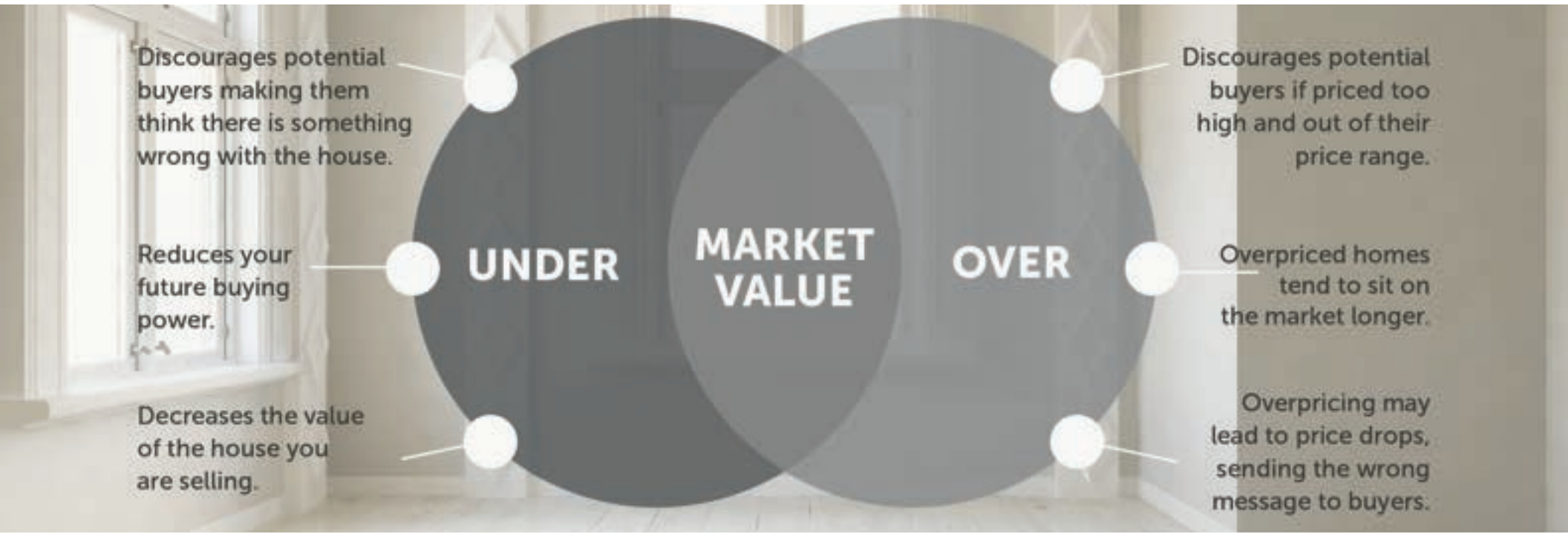
Mold Disclosures

This disclosure educates the buyer about mold and their rights to an inspection. Please review the information that will be sent to the buyer and sign.

HOW TO PRICE YOUR HOME AT MARKET VALUE

- Your realtor will run a comparable market analysis. This analysis uses your home's above ground square footage and other characteristics to find homes that are currently active/pending or ones that have closed within a specific timeframe.
- Use this data to determine where you would like to list
- You could discuss with your realtor some updates that could be completed in order to get it up to the same standard as other comparable homes at the price you want to list for.
- I am never opposed to listing higher, but know that if we do not get showings/good activity, then that is the buyers telling us that the home is over priced.
- If little to no showings are being booked then:
 - You either have to be patient and wait it out at the current list price
 - You should lower the price until you get more activity

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COMING SOON CHECKLIST

- Declutter
- Gather media for marketing materials
- Gather Utility Costs
- Gather Survey (if available)
- Gather Tax Bill
- Do Minor Repairs

Showings are not allowed while the home is listed as "Coming Soon" in MLS.

If you know you will be going active on a certain date, but still need time to get the home ready for the market, the "Coming Soon" is a great way to let buyers plan a time to book a showing when it goes active.



HI-RES PHOTOGRAPHY

Make The First Impression Count

Potential Buyers Spend 60% of their Time Looking at Photos and Only 20% Reading the Property Description
– Wall St Journal

The importance of great photography cannot be overstated. Photographs enhance the marketability of your home and showcases special features. If home buyers aren't sold on the images, they see online, chances are they will move onto the next home. We want good photographs to get the buyers into your property.

PREPARE YOUR HOME TO SELL

- De-clutter: remove clutter from counter tops, tabletops,shelves,etc
- Leave out a max. of ONE small appliance on the kitchen counter top
- Clean fridge,stove,dishwasher,microwave
- Hide garbage bins
- Remove dishes from sink
- Straighten all chairs
- Clean bathroom
- Open blinds/curtains to allow as much natural light in

3 LAUNCH YOUR MLS LISTING

THE IDEAL FEEDBACK AND REVIEW CYCLE:

This process on weekly and monthly reviews and CMA updates will provide you with the information that is vital for making important decisions until we generate an offer that you find agreeable.

WEEK 1

Present offers, failing which review:

- Web traffic
- Live property stats
- Showings and comments.

On a weekly basis we should repeat this update

WEEK 4

Present offers, failing which review:

- Web traffic
- Showing
- Comments
- Update our CMA

If necessary make changes to the List Price and/or the Affinity Group Marketing Plan.

The Best Feedback in Real Estate is an Offer

We want to have the best possible communication with regards to how we are doing throughout the duration of the contract. There are many different types of feedback ranging from comments from Open Houses, showings, and online inquiries to web traffic statistics and comparable sold properties. We want you to know everything we know and for you to be educated from listing to sale.

Given the truth that, the best feedback in real estate is an offer. The most important week is the first week and if we do not receive any offers than we should probably consider reviewing the listing every 30 days.



AFTER AN OFFER IS RECEIVED, WHAT HAPPENS NEXT ?

Whether you get multiple offers the first weekend on the market or you have to wait a few weeks, it's important to be prepared and work with your listing agent as much as possible.

Your list price, curb appeal and home's interior attract serious buyers and make them remember the property while they're touring houses.



Once you have a contract submitted from a buyer, you must work with your agent who will negotiate your terms to the buyer's agent and try to get to a deal that works for both the buyer and seller. This is a back and forth time, but if both agents are good at communication it can go very smoothly.

Here are your options once you have a contract in hand:

- You can sign the contract and accept the contract "as-is"
- You can send a counterproposal to change any terms, price or deadline dates
- You can reject the contract and not send a counterproposal

UNDERSTANDING THE CONTRACT PROVISIONS

Section 2: Parties and Property

Contains many subsections regarding the basics of the transaction, such as who the parties are and what property is being sold.

Section 3: Dates and Deadlines

Provides the various deadlines for the transaction, such as deadlines for the seller's disclosure of any problems with the home, buyer's receipt of any loans, and buyer's inspection of the home.

Section 4: Purchase Price and Terms

Details the purchase price. It breaks the total down into discreet quantities such as the amount of earnest money and the seller's financing.

Section 5: Financing Conditions and Obligations

Explains your financial conditions and obligations—whether you are the buyer or the seller. If you don't get a loan or you get one with unfavorable terms, such as high interest rates, then you can get out of the deal.

Section 6: Appraisal

Pertains to the appraisal of the home. In essence, the home will be appraised by a third party as a part of the buyer's financing obligations. The lender cannot give a loan that would exceed the cost of the home.

Section 7: Home Owners Association

If you are buying a home subject to a homeowners' association ("HOA"), you'll want to read through Section 7 and carefully review the HOA documents for its rules and regulations.

Section 8: Title Insurance

About title and title insurance. Essentially, this section of the contract requires the seller to sell a house with a good title. The buyer has the option to purchase Owner's Extended Coverage, which covers more than the typical title insurance.

Section 9: ILC and Land Survey

An ILC stands for Improvement Location Certificate and is used by title to verify the address, legal description of a property or locate any encumbrances or easements. If you need to define the boundaries of a property, a seller should order a land survey which is more detailed and can be used by the seller.

Section 10: Inspection and Due Diligence

Deals with the condition of the home; specifically, the seller disclosures, home inspection, and buyer's due diligence (i.e., investigating the quality of the home). Under Colorado law, the seller must tell the buyer about certain problems with the home, such as whether it contains lead based paint. This section provides the buyer with the right to terminate the contract if the home is in an "unsatisfactory condition."

SECTION 3: DATES AND DEADLINES EXPLAINED

Acceptance Deadline Date & Time - If the contract is not signed by the seller or a counterproposal has not been sent by this date, then the contract expires.

Sellers Property Disclosure Deadline - These forms should be completed and signed by the seller before going on the market so this date is not an issue.

Loan Application Date - Our firm's policy is that you must be fully approved for a loan before we take you out and risk you falling in love with a property you might not qualify for. Therefore, when working with us, this will always say "Complete" next to it.

Inspection Objection & Resolution Deadline - The inspection objection date is the time by which the buyer must submit their objection contract asking for specific items to be replaced or repaired. The inspection resolution date is the time by which the seller has to send over what their plans are to resolve your inspection requests. If an objection is submitted, then a resolution must be signed by the deadline or the buyer must withdrawal their objection by the resolution deadline. If these are not satisfied, then the contract expires and the buyer gets their earnest money.

Title Deadlines -The buyer has contractual "outs" if they are not satisfied with the way the title documents read and/or any off record title issues disclosed by the seller. (An example of an off record issue would be if the seller agreed to allow their neighbor to cut across the back corner of the property for the next 5 years but no written document was recorded reflecting this).

Property Insurance Deadline - If the buyers are unable to insure the property, they would reserve the right to terminate the contract by this date. Things to pay attention to for this would be whether or not the property is in a floodplain and in need of flood insurance)

Loan Availability - this Contract is conditional upon Buyer's satisfaction with the availability of the New Loan based on the lender's review and underwriting of Buyer's New Loan Application. The buyer does not have a Right to Terminate based on the New Loan Availability if the termination is based on the New Loan Terms, Appraised Value (defined below), the Lender Property Requirements, Insurability, or the Conditional Upon Sale of Property.

Closing Day - when all closing documents are signed, title transfers the home to the new buyers and transfers the funds to the seller.

INSPECTION OBJECTION

In real estate transactions, the inspection objection is a critical stage where the buyer has the opportunity to request repairs or negotiate concessions based on the findings of a home inspection. It allows the buyer to address any concerns before proceeding with the purchase. It also provides an opportunity for both parties to negotiate in good faith and reach a resolution that satisfies both the buyer and seller.

Once the buyer conducts a thorough inspection of the property, they may uncover issues or defects that were not initially apparent. These issues could range from minor cosmetic flaws to significant structural concerns. The buyer has a specified period, typically outlined in the purchase agreement, to submit an inspection objection to the seller.

If an inspection objection is submitted by the buyer, then the seller must submit an inspection resolution by the contract deadline or the buyer must withdrawal their inspection. If neither of these occur, then the contract is invalid.





INSPECTION RESOLUTION

Upon receiving the inspection objection, the seller has several options:

Agree to the Requested Repairs: The seller may agree to address the issues outlined in the inspection objection by completing the requested repairs or offering concessions to compensate for the costs. The inspection resolution will outline what the seller will fix before closing.

Negotiate: The seller may propose alternative solutions or negotiate the scope of repairs. A seller's concessions is sometimes offered so the buyers can fix the issues after closing.

Decline the Request: In some cases, the seller may choose to decline the buyer's request for repairs or concessions and ask the buyers to withdrawal their objection. If the inspection objection withdrawal is not signed by the deadline, then the contract is no longer valid.



WHAT IS AN APPRAISAL?

- ✔ An appraisal is an estimate of the current market value of a home completed by an appraiser using set evaluation criteria.
- ✔ In most cases, if a home buyer is getting a mortgage, an appraisal will be completed and ordered by the lender.
- ✔ The appraiser represents the interests of the home buyer's lender. They do not represent either buyer or seller.
- ✔ The lender will not lend more than a certain percentage of what the home is worth based on the appraisal.

Just because you and the sellers have agreed on a price doesn't mean it's a done deal—your lender needs to be on board, too. The lender will order an appraisal and a licensed, trained appraiser is assigned to the order. The buyer usually pays for the appraisal, unless the contract specifies otherwise.

An appraiser does not have the same job as a home inspector, who examines every little detail. While they'll pay particular attention to problems with the foundation and roof, the home appraisal process includes noting the quality and condition of the appliances, plumbing, flooring, and electrical system. With data in hand, they make their final assessment and give their report to the lender. The mortgage company is then required by law to give a copy of the appraisal to you.

WHY DO LOW APPRAISALS HAPPEN ?

A “house appraises low” if the value assessed by the home appraiser is lower than the purchase price agreed to between the buyer and seller. The home appraisal provides a snapshot of the appraiser’s opinion of the current market value based on similar closed sales in the area.

When the appraised value comes in below the contract price, it limits the amount a lender will finance because they base the loan on the appraisal. A low appraisal might delay or even derail your closing.

While this might sound alarming, it’s important to keep in mind that your real estate agent can help you manage the appraisal process and keep your sale or purchase on track to closing.



Artificially Inflated Prices
with Multiple Offers



Inexperienced
Appraiser



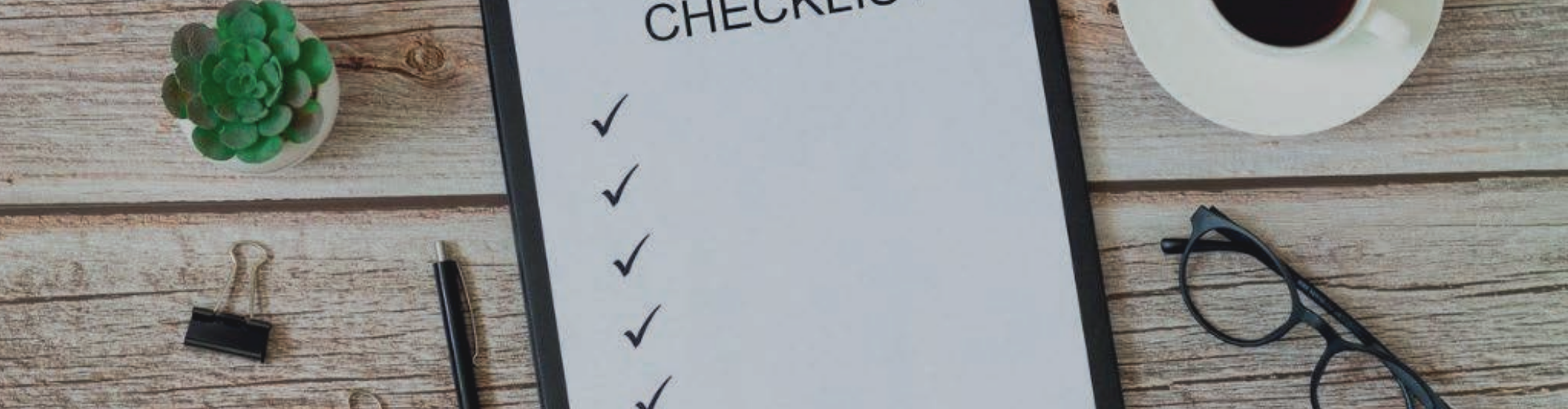
Many Foreclosed Homes
in the Neighborhood



Appraiser overlooked
pending sale data



Overpriced by Seller and
accepted by Buyer



ACTION ITEMS: 5-7 DAYS BEFORE CLOSING DAY

- ✔ Review your seller's settlement statement when title has the final revision
- ✔ Make sure you have movers/cleaners scheduled so the home is empty and clean for the buyer's final walkthrough (which usually occurs the day before or the day of closing)
- ✔ Schedule the time you will sign your closing documents with title.
- ✔ Schedule Gas, Electric, Trash, and Homeowners Insurance cancellations for the day of closing. Title transfers Water & Sewer, so there is no action needed by you.
- ✔ Forward or change your address with the post office.
- ✔ Gather any keys, garage door openers, manuals, warranties, instructions manuals, or anything else that the buyers may need.



CONGRATULATIONS!
YOU'RE CLEARED TO CLOSE!

CLOSING DAY EXPECTATIONS

- Leave any house keys, remotes to the garage, security system codes, mailbox keys or anything else that gives entry to the house and its attachments on the kitchen counter.
- ✔ Bring your Driver's License and second picture ID...just in case
- ✔ Bring the account information where you want the funds transferred into.
- ✔ Signing your closing documents takes about 30 -45 minutes
- ✔ Funds transfer once both parties have signed their closing documents and title initiates the transfer.

What is closing day?

It's the actual date on which the ownership of the house transfers from the seller to the buyer.

Funds do not transfer on the day of closing until both parties have signed all closing documents. Sellers can sign early once title has the final settlement statements. If the buyer is getting a mortgage, they have to sign on closing day.

You will get a packet with your signed closing documents. Keep the Settlements Statements, Warranty Deed and Bill of Sale for your records.

You can also write a review for your real estate agent if they did an amazing job! They are referral-based and your review and referrals help them grow their business!

Let's talk about your home!



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