



For Sale By Owner

Tips to a Seamless Transaction

PRICING

PREPARING

PROFESSIONALS

HELLO!

I'M LAURA CRAIG.

There are many reasons that folks choose to go the FSBO route when selling their homes. FSBO means 'For Sale by Owner' in the world of real estate. It sounds like 'fizbo' when said aloud, and the concept most definitely has some serious pros.



With the recent appreciation in home prices, this fall might be a good time to sell your home. But which is the smarter way to do it, hire a real estate agent or list it yourself?

For someone experienced in the purchase, sale and marketing of a home, selling a home as a FSBO makes good financial sense. On the flip side, for someone who is inexperienced in marketing and real estate, or who is short on time, the FSBO route could cost the seller a great deal of time and money. Making a mistake in pricing, marketing, legal compliance or paperwork can have serious repercussions, both financial and legal.

FSBO listings are more common today than in 2007, thanks to consumer-facing listing platforms such as Zillow and easier access to the Multiple Listing Service (MLS) for non-agents.

But FSBO is no walk in the park. A 2017 Zillow report found that 36% of homeowners attempt to sell their homes without an agent, but only 11% actually complete sales themselves. In other words, more than two-thirds of sellers who try FSBO fail.

Many Real Estate Agents are protective of our "top secret" selling techniques, but I am not your average agent. In this guide, I will map out how to price and prepare your home, the showing process, and what to expect at closing. As always, if you get into this and decide a real estate agent is the way you would like to go, please call me anytime.

LET'S GET STARTED!



Be Prepared

WITH THESE GOALS
ADDRESSED YOU'RE READY TO
BEGIN THE SALE PROCESS

The key is to be properly prepared. If you are not, your home could remain on the market longer than you expect because you are not attracting and getting offers from qualified buyers. This can be the point where many homeowners become frustrated and consider giving up their dream of selling their home themselves. However, there are sellers who successfully accomplish selling their own homes. You can be one of them!

This industry report has been especially prepared to assist home-sellers such as yourself in understanding the elements involved so that you, on your own, can sell your home quickly and for the most amount of profit. To help you prepare, here are 8 inside tips that you should be aware of before making the decision to sell your home by yourself.





Tip One

MARKET TIMING

There are a couple of aspects to timing that should be understood; one is that there are better times than others to put a property on the market (such as seasonal variations), and these will depend on the specific area the property is in.

Secondly, there is a concept of “golden time” that says a property will receive bigger offers within the first week of going on the market and go down after that. FSBO sales can fail when the house sits for too long on the market (perhaps because the owner doesn't have a lot of time to deal with marketing or negotiations), and they then receive lower offers than they should.



there are better times than others to put a property on the market

Tip Two

ESTABLISHING THE LISTING PRICE



The price of your home is one of the most important factor in determining how quickly your home will sell. If it is priced too high you may never sell it, and if it is too low, you may lose money. To be honest, the biggest mistake people make when trying to sell their home without a Real Estate Agent is found in the price. People over price their homes all the time and this keeps potential buyers from offering. If you want to sell your house, you need to price it appropriately.

Unfortunately, what you bought your home for and what you have invested in your home does not determine the value. The current market determines what the selling price should be, and this means you need to consider what similar homes in your area have recently sold for. If you want an idea of where to start on pricing your home, give me a call. At no charge and with no strings attached, I can help you figure out what your current market value is based on current market conditions.

The condition of your home plays a big roll on the price as well. If there are several minor things that need to be repaired, expect lower offers. If you want to maximize your selling potential, address as many minor repairs as needed. If there are larger repairs that could be made, such as windows, a leak in the roof, problems with the central air, or sump pump problems, fix what you can. Any offer you receive will more than likely be contingent on inspection and the potential buyers will more than likely ask for a price reduction or repair if it is significant. Keep in mind that making some repairs might be require by the appraiser prior to closing.



The Vast Majority Of Private Sellers Don't Have Accurate Data To Price A Home



Tip Three

PROPERTY PREPARATION

Take a deep breath, because you're going to need it. Pricing is tough, but the next part is really time-consuming and a bit nerve wracking to be quite honest. There are several steps that you need to take in order to prepare your property for showing. The time-consuming part is why I suggest that you give yourself a little stint between actually deciding to sell and putting a sign out front.



Tip Three

PROPERTY PREPARATION

SQUEAKY CLEAN IS YOUR ACE IN THE HOLE

I can't stress the importance of a junk-free, impeccably clean home when you're bringing in potential buyers. No one wants to pay for something that's dirty, and you certainly aren't going to get the best price if your home isn't super-clean. When following your deep clean checklist, think of what you would want to see if you were buying a home.

1. Cobweb everything, and do it first so that you don't have to re-dust furniture and re-vacuum rugs.
2. Vacuum and shampoo carpets. Mop and polish all slick floors to a mirror finish.
3. Wash all linen, including curtains, bedspreads, sheets, etc.
4. Dust from the ceiling fans down to the baseboards. Don't forget the blinds.
5. Clean all glass services, including windows, glass doors, television screens and even china cabinet doors.
6. Polish all wooden furniture.
7. Make sure all kitchen appliances are immaculate.
8. Actually, make sure your entire kitchen is immaculate. Kitchens sell homes. Get rid of all of the extra counter-top junk, the mountain on top of the refrigerator and even the message center hanging on the fridge.
9. Bathrooms are imperative in the cleanliness department. Make sure everything gleams and smells fresh.
10. Clean out all closets, cabinets, drawers and storage spaces completely.
11. Eliminate dirty smells such as greasy food, animal odor and day-old trash. Smell sells, or if your home is stinky, prevents your sell.
12. Make sure that if you smoke you begin taking your breaks outside. Non-smokers detest the scent, and it can break a potential sell. Don't make the mistake of thinking that a scented candle or two will trick non-smokers. Believe me, they won't.
13. I always hate to say this, but you need to erase all proof of inside pets before showing. I know, I know – it's heartbreaking. But, it's also only temporary until your home is sold. Before viewers show up, remove doggy dishes, litter boxes, puppy pads – you name it – and take the pets somewhere safe and out of sight until the visit is over. Be wary of animal smells, too.

Tip Three

PROPERTY PREPARATION

DE-CLUTTER AND SELL FASTER

De-cluttering is often the most difficult task that home sellers face. It's hard work, but it is also well worth the effort. A good majority of homes that sit on the market endlessly do so simply because the sellers refuse to get rid of their piled up junk. Don't make that mistake, and follow the checklist below.

1. Use the 50% guide. Pack, trash, sell or donate at least 50% of your stuff. I just ripped that band aid right off, didn't I?
2. Rent a storage building a little larger than what you think you'll actually need in a well-lit, safe environment.
3. Eliminate furniture that is unnecessary to open up your rooms.
4. Organize everything, including what isn't readily seen (like the insides of those closets and cabinets you just cleaned out). Coordinating baskets, containers and other organizational tools all aid in a more unified, neat appearance.
5. Go ahead and pack up seasonal clothes. The less in your closets, the better.
6. Try to get everything off of the closet floor. Doing so makes them appear larger.
7. Depersonalize by removing framed photos, memorabilia and other items that shout your family's personality.
8. Go for a neutral mood throughout your home. Your goal is not to show just how wonderful you and your family are, although I'm sure that you're quite lovely indeed. The goal is to present a fresh place for your home viewers to visualize their own wonderful families in.



Tip Three

PROPERTY PREPARATION

FACE-LIFT PROJECTS

This is touch and go, really, but it never hurts to do a little freshening up throughout your home. You have to find that happy medium of what you can afford to do, what is actually going to help increase the value of your home and what isn't going to drive you insane. However, there are some small to medium projects that really can put you at the front of the game when you have a lot of competition around.

1. Painting is a great way to give your home a clean, new feel. Go for neutral tones, such as beige, creams and greys. This is a good project to tackle, too, because it's relatively inexpensive and most folks can handle it themselves.
2. Floors are important, but can also be costly. If you can get by with a thorough cleaning, you might just want to stop there. However, if there are very worn spots, faded carpets or other unsightly damage, you might consider replacement instead. Hardwood is always a favorite, and can add value to your home, but is also expensive. Don't be afraid to use linoleum, vinyl floor tiles or ceramic if you need new floor coverings on a budget. Any of those are preferable to flooring with holes in it.
3. Buy new hardware, or refurbish your old ones.
4. Make sure all tile grout is either thoroughly cleaned and/or repaired.
5. Replace anything that is incredibly outdated, damaged or simply non-functioning.
6. Think about thoroughly cleaning or replacing your outlet covers.
7. Lighting fixtures can really make or break a room. Inexpensive types are available at all of your big chain stores such as Lowe's and Home Depot. Even Wal-Mart and Target have them. Adding a brighter, nicer lighting fixture to a room can really make a world of difference.
8. Exchange all of your old light bulbs for new ones. I know it sounds crazy, but when you brighten up your spaces, they appear cleaner, bigger and more comfortable.
9. Add new blinds. Old, stained and broken blinds can really make a room look dreary and even dingy.



Tip Three

PROPERTY PREPARATION

IMPROVE YOUR CURB APPEAL

Curb appeal is an often overlooked area of preparing a home that can really cost you both money and time in the long run. Putting it into perspective, your curb and yard are the first and last things buyers see when they come by. A good first and last impression is critical to you selling your home with speed.

1. Make sure your lawn is neatly trimmed.
2. Pay attention to debris, even something as small as a cigarette butt. Those things make your home look far less inviting.
3. Trim up all of your shrubs and trees.
4. Make certain your flower beds are weed-free, and colorful. Dead foliage and fauna are huge turn-offs.
5. Neat, clean landscaping is far more preferable to out-of-control, over-the-top landscaping any day.
6. Repair your walkways. Not only is this safer, but it also gives your home a much more comfortable feeling. Perhaps add lighting or flowers to accentuate them.
7. Repair or replace anything that is broken, such as porch railings, outdoor lights or shutters.
8. Pay attention to your front entrance especially. A solid door with a nice wood or paint finish will lend your home the look of security that home buyers crave.
9. Don't forget the less than wonderful aspects of the outside of your home like the guttering. Clean them out and repair them. Make sure your screens are in good shape. Things like that matter.
10. Repaint or replace worn out and rusty outdoor furniture.
11. Make sure there are no pet reminders all over the yard. Having a viewer step in a stinky land mine is not the way to make friends or sell homes.
12. Help your children to keep all of their outside toys picked up. Parents are used to seeing five balls in the bushes, a skateboard on the steps and baby dolls enjoying a day at the spa in the birdbath. Buyers, on the other hand, aren't going to appreciate these little eccentricities so much.



Tip Four

SHOWINGS AND OPEN HOUSES

Before you show your home, make sure you create an inviting atmosphere. Turn on all of the lights, keep all of the interior doors open, and open blinds or curtains. Have your children at a neighbor's house, friend's house or with family so they are not distracting the buyers. Also, make sure pets are secure and not creating a nuisance with excessive noise. Some people are afraid of dogs and allergic to cats. Keep this in mind when showing your home. Cleanliness is of utmost importance and so is the lack of clutter. The smell of your home can be very important too. Make sure litter boxes are clean and the trash has been taken out. Get some potpourri or a nice smelling candle. Make sure it is not too strong and it is a light and pleasant scent. The smell of fresh baked bread or cookies can definitely help too.



Tip Four

SHOWINGS AND OPEN HOUSES

Buyers need to feel comfortable and free to look around. From my experience as a real estate agent, nothing is more uncomfortable for a buyer than a seller who won't stop talking and let them look at the property. Buyers need to have time to look at the features of the home, think, and determine whether or not the home fits their needs. They can't do that if there is a constant distraction of someone following them around and talking. The buyers won't feel free to talk amongst themselves about the features, pricing and so on. Don't try to sell the features of the home. Unlike a real estate agent, you don't have the inside scoop on the buyer's likes, dislikes, or what their needs are, so you might unintentionally try to sell them on a feature that is not important to them. Let your home sell its self. Just be there to open the door, be inviting and answer any questions the buyer may have. If they ask you to accompany them while they view your home, feel free to.

Buyers might stay longer than expected to ask questions and to try to get additional information from you. If you begin to build a good rapport with the buyers, that's great. Just remember, don't give too much information about yourself; especially when it comes to your own home buying situation. You could possibly ruin your negotiating power if you share too much. Savvy buyers will try to learn as much about you as possible in order to help themselves in the negotiating process. They will more than likely ask why you're moving, how motivated you are to sell or how willing you are to negotiate. If answered incorrectly, these questions can ruin your ability to negotiate price later. Remember, the less personal info you give them, the more power you have to negotiate. Be friendly, but be careful in your conversations. You need to protect your own interest.

DO NOT discuss price other than the asking price. Negotiating price and terms should be done in written purchase agreements, not casual conversation. If they ask or bring up price, simply let them know you are open to offers. Keep in mind, some buyers choose sellers who don't use real estate agents because they think they can manipulate the seller to a lower price due to lack of experience.



Tip Five

REMAIN OBJECTIVE DURING THE SHOWING OF YOUR HOME

Keep emotion out of the sale of your home, and the best way to do this during a showing is to remain physically in the background. If a prospective buyer says something negative about your home, it is better to counter-balance this point of view by illustrating the positives rather than becoming defensive. Many buyers won't be comfortable making comments with the homeowner present

Don't waste your time entertaining buyers who could never afford your home. It is a big time-waster, and the experience of showing your home to unqualified buyers can be very frustrating.

Research their financial steadiness with respect to job security, salary, debts, liabilities and credit standing. Prequalify buyers before you spend time showing your home to any of them.

Tip Six

PRE-QUALIFY YOUR PROSPECTS



Tip Seven

NEGOTIATING TERMS AND PRICE

To avoid wasting valuable marketing time, only negotiate price and terms with someone who can provide you with a pre-qualification letter. Most lenders can pre-qualify someone in a few hours. If the potential buyer is serious, they will be able to get this to you. If you are dealing with a cash buyer, they should be able to provide you with proof of funds such as a letter from their bank or bank statement

Conflict between the buying and selling side are quite common in a real estate transaction especially if you decide not to use an agent. The buyer obviously wants the lowest price possible and you obviously want the highest price possible for your home. The information listed below should help reduce the amount of possible conflict you may experience during the sale of your home.



Tip Seven

NEGOTIATING TERMS AND PRICE



1. Once you find a potential buyer, get the help of an experienced thirdparty negotiator to negotiate the price and terms of the sale. An attorney or Realtor can save you thousands of dollars and lots of stress in dealing with unnecessary conflict.
2. If you choose to handle the negotiations on your own, start with features of your home that buyer seemed interested in and build on that. The buyer will start with the negative parts of the house and build on that with the hopes of reducing price more than necessary. Do not get offended. Be patient, objective, and stay calm.
3. Create a temporary email address to conduct all communications regarding the deal. You don't want them to have your personal email incase the deal falls apart and they decide to be belligerent.
4. Everything agreed upon should be put in writing, even the little, insignificant details.
5. Often times, the first offer is the best offer. The longer a house is on the market, the lower the offers become. Do not jump at the first offer but still take it very seriously.
6. Take your time in your decision making process but not too much time. If you leave the buyer hanging too long, they will move on. If you do not make a decision and accept the offer, or provide a counter offer, the buyer can walk.
7. Contact a local title company to get title insurance. Without title insurance, the sale on the property will not close. Not sure where to start? Contact me for a referral. I have a few title companies I use for my clients.
8. Have the contract and any addendums written by an attorney or real estate professional. A little mistake could cost you everything.
9. Don't put all of your eggs in one basket. Keep a list of other potential buyers in case the deal falls apart.
10. Up to 48 hours before you close, perform a walkthrough of the property with the buyer. Exchange keys at the closing.



Tip Eight

CLOSING

During the closing, you will meet with your buyer and other necessary parties, such as your attorney, to transfer the ownership of your property. Sometimes closing is also referred to as a settlement. All paperwork is signed, agreements completed and details finalized at the closing. Normally, the whole transaction takes about an hour.

Exactly where and how your closing will take place simply depends on the customs used where you live. Quite often, the closing takes place at the closing agent's office. Make sure to stay in touch with this agent to make 100% certain that your sell doesn't get off track.

There shouldn't be any surprises at the closing. All expected costs should already have been covered and put into writing between you and the buyer. Following, you will find a list of items that are commonly paid for by sellers at closing, although this is not set in stone.

- Title insurance
- Escrow or attorney's fee
- Transfer tax
- Survey costs
- Home warranty fee
- Mortgage payoff
- Outstanding utility bills
- Recording fee
- Survey costs
- Inspection costs
- Buyer's agent commission





Ready to hire a professional?

While doing the work yourself can save you the significant commission rates many real estate agents command, for many, flying solo may not be the way to go--and could end up being more costly than a realtor's commission in the long run. Buying or selling a home is a major financial (and emotional) undertaking.

1. Better Access/More Convenience

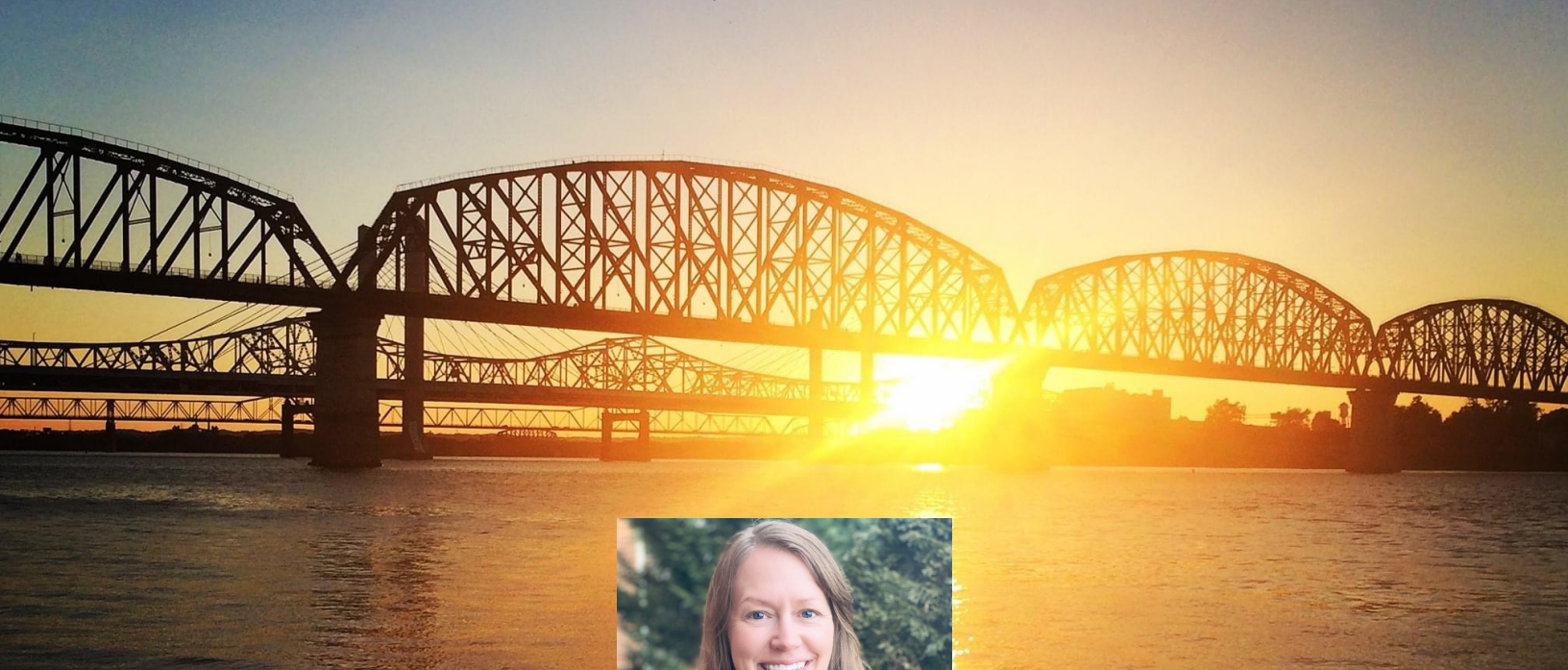
A real estate agent's full-time job is to act as a liaison between buyers and sellers. This means that he or she will have easy access to all other properties listed by other agents. Both the buyer's and seller's agent work full time as real estate agents and they know what needs to be done to get a deal together.

2. Negotiating Is Tricky Business

Many people don't like the idea of doing a real estate deal through an agent and feel that direct negotiation between buyers and sellers is more transparent and allows the parties to better look after their own best interests. This is probably true--assuming that both the buyer and seller in a given transaction are reasonable people who are able to get along. Unfortunately, this isn't always an easy relationship.

3. Contracts Can Be Hard To Handle

If you decide to buy or sell a home, the offer to purchase contract is there to protect you and ensure that you are able to back out of the deal if certain conditions aren't met.



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