

# The Home Selling Process

**Beginning the process.** Once you've officially decided to sell your home, the next step would be to work with a Real Estate Agent that can provide you a free Comparative Market Analysis to help you establish a selling price. This is accomplished by comparing "like type" homes to yours that are currently on the market for sale or have sold recently. This Comparative Market Analysis or CMA will provide a "range" of where pricing for your home may be based on the current market conditions. By reviewing the CMA and discussing it with your Real Estate Agent, a decision can be made what price may work best for your home. Keep in mind that the final decision of what the listing price will be is **yours**, but please use the expertise of your Real Estate Agent so as not to price it too high or low. This can be detrimental to selling the property.

**The Listing Agreement.** Now that you've established a listing price, it's time for your Real Estate Agent to fill out the Listing Agreement. This is done using the "Exclusive Right to Sell Listing Agreement" form. This is a legal and binding contract between you (the Seller) and the Broker. The Managing Broker of a Real Estate Firm is whom your Real Estate Agent works for. This is not a contract between you and your Real Estate Agent, your Agent is only representing the firm in the transaction.

The Listing Agreement will contain things like the current owner of the property, The real estate firm that is listing the property, a legal description of the property, the Seller's duties and representations, the listing price, the listing period (how long the contract is good for), The Broker or commission fee you'll pay the Broker to sell the property, the Buyer's cooperating Broker percentage of the commission, the Broker duties, and any additional terms. The listing agreement will then be signed and dated by you and the Broker representative (your Agent).

**Other forms completed during the listing process.** You may have already filled out the Massachusetts Mandatory Licensee Consumer Relationship Disclosure form. This is **not** a contract. Rather, it's a disclosure documenting that your Agent will be working for you as a Seller's Agent and has a fiduciary responsibility to you.

If the home you're selling was built before 1978. A Lead Paint Transfer Notification form must be fill out. It outlines the obligations of you the Seller *and* the Buyer regarding the presence of lead paint on the property. For compliance with federal and Massachusetts lead-based disclosure requirements, this form is completed and signed by the Seller and the listing agent. It is then to be signed by any prospective buyer before a Purchase and Sale Agreement is signed.

**Seller's Disclosure Form.** The information provided on this form is based on the Seller's knowledge but is not intended as a guarantee of the condition of the property or the continued satisfactory operation of any systems.

**Massachusetts Title V Certificate for septic system.** For properties that are not connected to town sewer and have onsite private sewage disposal systems, Massachusetts requires that it must be inspected, by a licensed inspector, for compliance prior to the sale or transfer of the property in most cases. If it fails inspection, it must be replaced if you plan to sell the property. In cases it's the Seller's responsibility to pay for the new septic system. However, through negotiations between the parties, the Buyer may agree to pick up the cost.

It may be possible to close on the property prior to the new septic being installed. In these instances, sufficient funds are escrowed at the time of the closing from the closing proceeds and used to ensure that the repairs are performed after the closing in a timely fashion.

**Preparing to put it on the market.** Now that all the necessary documents are signed, your Agent is almost ready to place the property on the market for sale. Prior to doing this, your Agent can assist you in recommending what should be done to get the property "spruced up" so that it shows well when potential buyers view it and also help in getting the maximum dollar amount. When ready, your Agent will take photos and place a sign on the property. Everything about the property, including the photos will be added to the Multiple Listing Service (MLS). Your Agent will then make it "active" on MLS. Congratulations, your home is now officially on the market!

**Showing the property.** Your Agent will most likely use Open Houses and individual showings to allow potential Buyers and their Agents to view the property. *Be sure to remove any valuables and medications from the home prior to any Open Houses or individual showings.* Your Agent will discuss what days and times are most convenient to show the property. You the Seller, are typically not home when potential Buyers view the property. This allows the Buyer to speak openly with their Agent about the property.

**Your Agent has received an offer.** A Buyer has sent an offer for your home to your Agent. Your Agent will review it to ensure it contains the essential components that make it a binding contract. It must have:

- A description of the property being transacted
- Date the offer was created
- Date and time the offer is good for
- Purchase price and schedule of amounts paid by the Buyer
- Additional terms and contingencies (home inspection, pest inspection, mortgage commitment, sale of another property, etc)
- Date a Purchase & Sale Agreement will be signed
- A Closing date
- Signatures of both the Buyer & Seller if accepted

Your Agent may forward a copy to you for review then meet with you to discuss the terms of the offer. Depending upon if you agree with the terms of the offer, you can accept it, reject it, or counteroffer back to the Buyer.

If you happen to receive multiply offers, your Agent will use the same process to review and discuss them with you and will compare the terms of each to assist you in choosing the best one that meets your needs. Your Agent will compare things like:

- The purchase price (the highest priced offer may not contain all the best terms to meet your needs)
- Amount of money being put down
- Type of financing, cash or possibly even cryptocurrency (a cash offer may not be the highest offer and may not have terms agreeable to you)
- Duration of the offer
- Date when Purchase & Sale Agreement is to be signed
- A closing date (some Buyers would like to close sooner and others wish to extend the closing date. Keep this in mind especially if you plan on purchasing another home using the proceeds from this sale)
- Any contingencies or inspections

**Purchase & Sale Agreement.** This is a more extensive document and is typically signed within 14 days from acceptance of the Offer to Purchase. When signed by both the Buyer and Seller, it supersedes the Offer to Purchase and becomes the new binding document between the parties.

The Buyer and Seller will engage the use of their own Attorney's to negotiate the terms of the P&S. In many cases, the Attorney's will attach additional provisions called Riders in an effort to further protect their client.

**Preparing for the Closing.** Prior to the closing taking place there are additional tasks that must be performed. They may include:

- An appraisal of the property by the Buyer's Lender
- A loan commitment letter from the Lender to the Buyer that the loan has been approved
- Buyer's Lender will notify the Closing Attorney that the closing date can be scheduled
- Closing Attorney will order a title examination of the property (this proves the property is "free and clear" to sell and "secures" the Buyer's loan against it.
- Within a few days before the Closing the Buyer's will do a "final walk through" to ensure the property is vacant, broom clean, and in the same condition as when they first viewed the property.
- Final Water meter reading from the Town Water Dept must be submitted to the Closing Attorney
- If oil heat is used, a representative from the oil company must provide an estimated number of gallons in the tank and cost per gallon. This will be credited to the Seller at Closing.

- Schedule the towns Fire Department to inspect the property's smoke and carbon monoxide detectors and supply a certificate of acceptance to the closing Attorney. *Closings in Mass cannot take place without a valid smoke / carbon monoxide detector certificate!*
- The Closing Attorney will notify the Buyer and Seller and advise them what they need to bring to the closing.

**The Closing.** The closing will usually take place at the County Registry of Deeds or the Closing Attorney's office. You will sign a new deed that transfers title to the property to the new owners. Make sure you bring identification (drivers license, etc) with you as the Attorney must also notarize the new deed. Various paperwork will be signed by you, the Seller and the Buyer. When completed the Closing Attorney must file the deed and other paperwork with the County Registry of Deeds. The Sale is not complete and no proceed / commission checks can be distributed until these documents are "on record". If the closing takes place at the Registry of Deeds the Closing Attorney can personally give the documents to a Clerk that can enter them into the computer and put them "on record".

Once the Closing Attorney confirms that everything is "on record", the proceed checks, commissions checks, etc. can be distributed. At that time, you can also turn over the keys, garage door openers, etc. to the Buyer.