



BeaufortDreamHomes.com



**Our Complete
Seller's Guide**



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PART ONE

First Things First

In this section, we will answer some of the basic but pressing questions you're likely thinking about as you contemplate selling your home.





Top 10 Tips for Choosing a Realtor

By Jake & Angel Sharp

Let's be honest. Most of you put more time and energy into finding a hairdresser than you do into choosing your Realtor. Think I'm kidding? I'm not!

How many of you (especially ladies) would dare go to the first available "up" person at a hair salon you just wandered into? Not many! Yet, time and again we meet people who choose their Realtors exactly that way.

When you're selling your house, you're making a major life decision. It's a decision that affects your heart, your life, and your wallet.

Your home is an expression of who you are as a person. It's where you spend time, entertain friends and family, and recharge after a stressful day. It's where you raise

kids and put down roots in a community. Your home dictates how you live your life through your commute, your access to food and entertainment, your relationships with neighbors, and your budget. But, it's also likely the biggest financial investment you'll make in your life. Home ownership is how you can grow your investment portfolio or pass on wealth to other generations.

So, both financially and emotionally, buying or selling your home is a big deal. That's why it's so important to choose the right person to guide you through the process. You want someone who understands the nuances of both the emotions and the numbers.

It's a tall order, but here are our top 10 tips for choosing the right real estate professional.

RELATIONSHIP WITH YOU

Whether you are buying or selling, it's important to "click" with whomever you work with. You'll be spending a lot of time together for a few months, so be sure it's someone you enjoy being around and someone whose opinions you trust.

RELATIONSHIP WITH OTHER AGENTS

You want to make sure your Realtor is respected by other agents in the community and works easily with others. Reputation is everything in the real estate business and all parties need to know they will be treated fairly. Therefore, it's important for your agent to know the agents that frequently do business where you're buying or selling. It will lead to an easier transaction for you. There's a lot of agent networking done behind the scenes, especially before listings go on the active market, so it's important your agent has a finger on the local pulse.

AREA KNOWLEDGE

In addition to knowing (and getting along with) other agents in the area, your agent needs to actually know the neighborhoods! If you're selling, that means knowing what else has sold, what's on the market now (that you will be competing with), and what the lifestyle is like in the area so the agent can sell it to buyers.

EXPERIENCE, NEGOTIATION & PROBLEM-SOLVING SKILLS

Whether you're buying, selling, or both, you

need an agent who's been around the block and has seen all of the problems that can come up in the course of a transaction. The agent's job doesn't end once you're under contract. Often, the biggest problems can occur between contract and closing. You're dealing with thirty page, legally binding contracts; it's essential your agent knows his or her way around the contract. Being a problem solver is probably the most important attribute an agent can bring to the table.

COMMUNICATION

Make sure you find an agent that communicates in your style. Do you prefer phone calls, texts, email, or in-person discussions? Make sure your agent can communicate with you in the modes you prefer.

AVAILABILITY

Be sure your agent works when you don't! Some agents work part-time or only during regular working hours. Make sure your schedules align. Be sure the agent or someone on the agent's team is answering phone and emails in case someone calls about your home. If your agent has a team, that team can more than likely answer questions very quickly for eager buyers who call wanting to know how many bedrooms are upstairs!

MANAGING THE BUYING AND SELLING PROCESS AT THE SAME TIME

Buying and selling homes at the same time? Then it's IMPERATIVE that you pick an experienced agent who knows how to manage the process. Should you buy first and sell your

house quickly? Should you sell first and then rush to find a property? There are many ways to approach this process that won't make you feel like your hair is on fire! Find an agent who can walk you through the different options.

RELOCATION CONNECTIONS

If you're buying or selling in the DC metro area with the other end of your transaction out of the area, pick an agent who has great referral connections in other markets. You want both of your agents on the same page so your contracts, dates, and deadlines work together seamlessly. See if your agent can connect you with another great agent in your other market. We have personal friendships with top agents from across the US and Canada to which we often refer clients – and that's something you want. If an agent doesn't have a personal connection, see if they have a referral network. These networks mean even when Realtors don't have a personal relationship, they do have a partnership with the properly-vetted top brokerages from around the globe. Then they will interview those agents to find you the right match. When your Realtors work together and they're on the same page, everyone wins.

PRICING, PREPARING AND PRESENTING YOUR HOME

Sellers, it's crucial for your agent to know how to price, prepare, and present your home to the market properly. Preparing your home is almost as important as the pricing! It's critical to getting maximum exposure. Speaking of which – your Realtor **MUST** have a marketing plan. That plan should include a fantastic website with content and other listings that people actually visit. Website traffic increases the number of people who will see your house online. They should use a mix of traditional and digital marketing (if they are not using paid social media advertising, rule them out immediately), have a dogged personal outreach program to other Realtors, have access to their buyer database (so it's also important to ask if they actually have one), as well as to public relations professionals to get your home placed in the right publications.



Advice for Selling a Home: My Top Tips



By Jake & Angel Sharp

When people learn that I'm a Realtor, they often ask my best advice for selling a home. I've learned a thing or two about selling a home quickly and for top dollar. So here is my tried and-true advice for selling a home. Follow these tips and you will have success!

NEUTRALIZE, DECLUTTER AND DEPERSONALIZE IT

As much as you love your family photos and personal mementos, remove them from your home while it's on the market. While you may have received lots of compliments on your red kitchen walls but they very likely won't appeal to a broad range of buyers. You want potential buyers to envision themselves and their things in your home (not you and your things!)

STAGE IT

We cannot stress the importance of staging enough. Whether it's a quick "fluffing" or bringing furniture and accessories into a vacant home, properly staging your home is essential to selling it quickly. In today's digital world, sellers only have a matter of seconds to capture buyers' interest before they click or swipe to the next listing.

PRICE IT RIGHT

Know the market and listen to your agent when pricing your home. Try not to "own" the listing price of your home, as buyers ultimately determine the value of your home. If your home hasn't sold after 30 days, revisit the price. Time is not on your side when you're selling.



MAXIMIZE SHOWINGS

Have your home “show ready” at all times. Respond quickly to showing requests. Make your home as available as possible for showings. The more people through the door, the quicker your home will sell. Read our recent case study on this topic.

SAY GOODBYE TO FIDO (FOR NOW)

Get your pet out of the picture (and house!) as much as possible while your home is on the market.

COMMUNICATE WITH YOUR REALTOR

Let your agent know about any issues or concerns you have. It's very important to communicate with your Realtor to know about any changes in your thinking or plans. Also let your agent know about all showings in a timely fashion so she can follow up. Your agent will do the same for you by sharing the feedback she receives from other agents and buyers on how the home shows, its price, and more. She will suggest improvements along the way to keep your home looking its best.

KEEP YOUR BUYERS HAPPY

Even with a ratified contract, it can be a long road to a successful settlement. You'll want to be as accommodating as possible through the home inspection, subsequent negotiations, and working through any other contingencies (appraisal, financing, home sale, etc.). Once again, an experienced agent will help you navigate the way to a successful closing.

USE A PROFESSIONAL

This is the most important tip of all. As tempting as it may be to try to sell your home yourself (especially in a hot market), hire an experienced Realtor or team. As the saying goes, “You don't know what you don't know!” Make sure your agent knows and works in your neighborhood and has a strong network of fellow local agents. You'd be surprised how many homes are sold before they even go on the market thanks to “behind the scenes” agent networking.

HOW MUCH MONEY WILL YOU GET WHEN YOU SELL YOUR HOME?

Let's cut to the chase. The #1 thing on all sellers' minds is how much money they will get when they sell their home. SO, here's the basic equation...

$$\text{Sales Price} - (\text{Seller Closing Costs} + \text{Loan Payoff}) = \text{Bottom Line Proceeds}$$

...and how to break it down. You'll calculate how much cash you'll net in no time.

SALES PRICE

Of course, the most important factor is the property's final sales price. In our market, some houses sell over list price, while others will sell for significantly less. The final sales price depends on how realistically the house is priced from the start. Now, how do you calculate closing costs? We thought you'd never ask...

SELLER CLOSING COSTS AND COVERING PURCHASERS' CLOSING COSTS

Some buyers need part of their closing costs covered by the seller (typically, those who don't have a lot of cash). This practice is most common at first-time buyer price points. If this is the case, buyers will often increase the offer price by the amount they request in closing costs.

WOOD DESTROYING INSECT INSPECTION FEE AND REPAIRS

Most lenders require this inspection to process a loan. In Virginia, the purchaser selects whether they or the seller will pay for the inspection. This cost (approximately \$60) appears on the closing disclosure at settlement, charged to the party indicated in the contract. The seller is always responsible for the cost of any repairs needed per

the inspector. They can pay the treatment company directly or deduct the cost from the proceeds at settlement. (Note: in D.C., the purchaser is always responsible for paying for the inspection, as stated in the contract. One caveat for both jurisdictions is if the purchaser is using a VA loan, the seller must pay for the termite inspection).

HOME INSPECTION REPAIRS

The purchaser will pay for any other inspections they would like performed on the property. The purchaser can request that the seller make certain repairs on the home in an inspection contingency negotiation. If the seller does not agree, the buyers can void the contract. Sellers should plan to make (and budget for) some home inspection repairs. Like the termite inspection, sellers can pay the contractor directly or, after the work is done, the settlement company can pay them out of their proceeds at settlement.



HOME WARRANTY

A home warranty is another item the purchaser might ask for in a sales contract. Warranties typically cost no more than \$550. While not in all contracts, we see warranties requested in about half of the resale contracts that come across our desks.

TRANSFER TAXES

Both parties will pay some transfer taxes at settlement. Some fees are paid by the purchaser; others by the seller. In Northern Virginia, the seller pays a transfer tax (1% of sales price) and a grantor's tax (1.5% of sales price). In D.C., both buyer and seller pay a tax of 1.1% of sales price if the purchase price is \$399,999 or less, or 1.45% if the purchase price is above \$400,000.

PROPERTY TAXES

The settlement date will impact your closing costs, as everything is pro-rated as of the day of settlement. For example, property taxes are typically escrowed by your lender (if you have a loan), who pays them on your behalf twice per year directly to the county or city. However, you will need to pay what is owed at settlement.

Let's assume your yearly property taxes are \$10,000 and the first half of the year's taxes (\$5,000) are due on June 15th. If you settle on June 1st, most likely your taxes have not yet been paid. So the title company will pay them from your proceeds. But, fear not – after settlement the bank will return to you the money you escrowed for taxes (and

insurance) so you're not out of that cash. The check will be sent to you within a couple of weeks, so be sure to give the title company your forwarding address!

Conversely, if you settle on July 1, and your taxes due June 15th were likely already paid, the buyers will pay for the entire second tax period. You will then just credit 15 days' worth of taxes for the time you owned the home during that tax period (June 15-July 1).

CONDO OR HOA FEES

The same goes for prorations for any HOA or condo fees, if applicable. Everything will be prorated as of the day of settlement.



COMMISSION

There is no “set” real estate commission, but in our market, you will tend to see the commission at 6% of the final sales price, plus an administration fee ranging from \$200-\$500. The 6% is paid to the listing brokerage selling your home, not to your Realtor. For example, if you hire Beaufort Dream Homes Team, the commission would be paid to our broker. Of that 6%, the 3% goes to the real estate brokerage that represented the buyer of your home. From each 3%, the listing and buyer agents receive a portion from the brokerage.

SETTLEMENT FEES

There are also fees to the settlement company to conduct the settlement, draft the documents, and record the deed. These fees tend to be under \$1,000. Keep in mind that all settlement company fees do vary slightly. Purchasers have the irrevocable right to select their title company in our area, so this isn't a negotiable term of the contract. The variance in fees is minimal.

LOAN PAYOFF

The last piece of the puzzle in determining how much money you'll net from selling your home is the loan payoff(s). You need to review what you owe to each bank. The title company will pay off any loans at settlement. Each loan has a payoff release fee, usually running about \$150-\$200 per loan.

$$\text{Sales Price} - (\text{Seller Closing Costs} + \text{Loan Payoff}) = \text{Bottom Line Proceeds}$$

That's it! Just add up all the costs outlined above and subtract it from your sales price.

Math not your strong suit? Don't fret! There's an app for that...

We love the free app CloseIt! You simply fill in some basic info (some of the items above – others are automatically generated) and Voila! It generates your estimated proceeds. Since a title company created the app, the numbers are very accurate. You can play around with the numbers very easily to test different scenarios. Using the app is quick and easy.



PART TWO

Preparing Your Home for Sale

There's a lot that goes into preparing your home for the market! From staging to cleaning and decluttering, we'll cover how to get your home in showing condition!



Preparing Your Home For Sale



DETACH YOURSELF

You've made memories in your first home; saying goodbye is hard. Be careful not to let your emotional attachment get in the way of making decisions, especially when it comes to staging, decluttering, and pricing your home.

PRICING YOUR HOME

Selecting a Realtor and pricing your home go together. Pricing your home properly is extremely important. It can determine if you receive an offer on your home within a few weeks or if the home sits on the market for months.

REPAIRS AND UPGRADES

Ensure that all systems and appliances are functioning properly, as these items will be assessed during a home inspection. Your Realtor will advise you if any upgrades are needed to make the home more appealing to buyers.

DECLUTTER

As soon as you start to think about selling, begin paring down your belongings. You can do this before you even know where exactly you'll be living. This process is certainly a long-term effort — don't feel you need to do it all in one weekend! Enlist family members to come help you tackle this chore.

Consider hiring a professional organizer who can help you navigate this process. We also have plenty of contacts that can help.

Every item in your home falls into one of the following three categories:

- Junk
- Donate/sell
- Take to the new house

Start this sorting as soon as possible to declutter your home for listing — consider it pre-packing for your eventual move. Specifically, your counters should be clear, and items on shelves should appear neat and organized. Closets shouldn't be overstuffed as potential buyers will open them. Toys should be pared down as much as possible.



The pre-listing period is a great time to get rid of items that you no longer need (think baby items, clothes that no longer fit, etc). You may want to consider renting a storage unit for some items you aren't quite ready to part with. The less "stuff" in your home, the larger it will seem to house hunters who come through.

DEPERSONALIZE

It's very important to depersonalize your home as much as possible. Doing so allows prospective buyers to imagine themselves living there instead of you. Believe us, people get distracted looking at your things instead of focusing on the home! Remove all personal photos (yes, even your wedding portrait and those adorable baby photos) and mementos such as diplomas and trophies. Put any unique collections into storage. Take down refrigerator magnets, team flags and banners.

WASH YOUR WINDOWS

Your home may have amazing views, but if your windows are dirty, no one can appreciate them. Check all windows on all levels of the home. At certain times of day, windows may look clean, but if the sun hits them at a certain angle, it's another story! Use lots of elbow grease, or consider hiring a professional. A quality window-washing treatment is an investment worth every penny.

CLEAN

Your home should be the cleanest it's ever been! Check out the following tips:

- Look high and low. Cobwebs and dust may accumulate in the corners of ceilings and floors. Check light fixtures and ceiling fans for dust and clean them thoroughly.
- Scan around door frames, light switches, doorknobs, and along walls in high-traffic areas (think hallways and stairs). Invest in a couple of Mr. Clean Magic Erasers to remove any scuff marks.

If you have a pet, make sure the home is free of its hair and odors. Consider having your carpets deep-cleaned. You may even want to ask a trusted friend for an honest assessment of how your home smells.

LANDSCAPING

Your home's landscaping should look its best! Focus on the following:

- Keep grass trimmed and neatly edged.
- Spruce up your beds with a layer of fresh mulch. Prune and trim any shrubs that are overgrown or have dead spots.
- Check for and remove any tree branches hanging over the house or electrical wires. You may need to call a professional for this task.
- Plant a few colorful blooms near your main entry.
- Pull weeds out of any walkways, patios and driveways.

CURB APPEAL

When listing your home, you want to make its entry and exterior as welcoming as possible. Try a few of these easy ways to boost your home's curb appeal:

- Replace your exterior lighting, including porch lights, entry door lighting, and walkway lighting.
- Add a fresh coat of paint on the shutters and/or front door.
- Replace your house number with a more modern one.
- Purchase a fresh welcome mat, door knocker, and/or mailbox.
- Clear your roof of any fallen branches.
- Ensure gutters are clear.

INTERIOR PAINTING

Touch up any nicks in your home's paint job. Be sure to check the aforementioned high-traffic areas that will likely need these touch-ups the most. Consider neutralizing any strong or vibrant paint color choices. Your home's color palette should be as neutral as possible to appeal to the greatest number of potential buyers. However, before undertaking any painting, please consult with us! We can recommend shades that work well in general and tones that complement your style of home.

If you have any wallpaper in your home, we suggest removing it. Not everyone is a fan of wallpaper, and even if they are, they may not like the pattern(s) you have chosen. A room in a neutral paint tone will appeal to a broader range of possible buyers, which is always the goal.



Staging Your Home: What to Expect and Why It's So Important



Staging. Never has a real estate concept meant so many different things to so many people. To some, staging your home means rearranging existing furniture. To others, it means reducing clutter. There are also those who think staging translates to a total redo of their homes.

To us at Beaufort Dream Homes Team, staging your home means preparing it to appeal to the likely buyer who walks through your home or who may view it online.

How a home appears online is probably more critical than how it appears when you walk in the door. Ninety-two percent of buyers see a home online first and odds are that first view will be on a mobile device. How a home appears on a mobile device is as important as removing clutter.

Your audience, active buyers, will likely have set up a search and when the alert appears on their device, they will speed through the offerings quickly. You have about eight seconds to grab their attention and cause them to slow down enough to look at the listing. Selling a home is about the visuals almost as much as location and price.

THE STAGING STATISTICS

The statistics prove that staging your home is well worth the effort and expense. Staged homes sell for 10% more than unstaged homes. Additionally, staged homes sell faster than unstaged homes (23 days vs. 40 days). Worried about the expense? Staging pays for itself and then some!

Research has shown that a 1-3% investment in staging will result in a 10% return.



“Fluffing” a home is the next option. Such fluffing means bringing in accessories to spruce up the home and give it a visual punch for those online views. Sometimes a home needs just a few rugs, pillows, fresh flowers, or art on the walls.

The last (and perhaps most involved) kind of staging is bringing in new furniture to either replace existing furniture or to fill vacant rooms. This type of staging is done to help potential buyers envision how the space could be used. The right furniture can turn a room with an awkward layout into a buyer’s dream space. We’ve seen it happen!

THE BOTTOM LINE

No matter which staging option you choose, remember the exterior of your home. Clear out your beds, lay fresh mulch, trim overgrown trees and bushes, and add a punch of color with blooms. Make sure your windows are sparkling clean and there’s no peeling paint. Consider a mini facelift for your home’s exterior with a new mailbox, house number or front door color.



Our Top Showing Tips



While your home is on the market, it's important that it's "showing ready" at all times. Based on how you have set up your showings, you may have anywhere from one hour to 24 hours' notice before showings. Below are our top tips to have your home ready for showing at all times.

To make a great first impression on any potential buyer, you will want to:

- Clear the sidewalk of weeds in the summer, leaves in the fall (which can be slippery when wet), and snow or ice in the winter on a very rare occasion for Beaufort County!
- Keep temperatures cool in the warmer months and warm (a comfortable setting) in the fall/winter.
- Declutter all surface spaces throughout the house, especially in the kitchen and bathrooms.
- Purge closets and keep them tidy.
- Place a mat at all entrances and exits during inclement weather. If it is raining, have a place where people can put umbrellas and wipe their feet.



- Keep fresh flowers in the dining areas and anywhere else that might work.

Before a showing, just before leaving the house:

- Remove trash from all bins.
- Refrain from using any harsh smelling cleaners for quick touch up cleaning.
- Don't cook with any pungent spices/ herbs and foods (onions, etc.)
- Avoid spraying perfumes and air fresheners and lighting candles.
- Turn ALL lights on (yes, ALL lights – closets, etc).
- Make sure all beds are made.
- Make sure all blinds/shades are open and up. You want the home to look as bright as possible.
- Have soft music playing and turn all TVs off.
- Avoid running any appliances (dishwasher, laundry, etc).
- If you have a gas fireplace and are comfortable doing so, have a fire going.
- Wipe down all appliances, countertops and light fixtures.
- Sweep floors and vacuum carpets.
- Make sure no dirty dishes are left in the sink.
- Flush all toilets and close the toilet lids.
- Remove personal products from sight in the bathrooms (toothbrushes, deodorants, etc).
- If you have a cat litter box, move it to the garage.
- Secure or remove all valuables and breakables.
- Lock away any prescription drugs (or at least hide from sight), as well as any firearms and weapons.
- Remove any pets from the home.
- Set out cold bottled water if it's a very hot day – always a nice touch.



PART THREE

On the Market

Your home's first week and weekend on the market are an exciting - but often stressful - time! In this section, we'll explore what will happen and how you can keep the process moving smoothly to get a quick offer on your home. We'll also go over important terminology and how it can affect your sale.



Your Home's First Weekend on the Market: What to Expect

You've been planning and prepping to sell your home for months. The big day is finally here – the day your home goes on the market and is open for all to see! Here's what you can expect from your home's first weekend on the market.

Usually, listings are entered into the Multiple Listing Service (MLS) on Thursdays or Fridays. This entry means your home will immediately start appearing in agents' and buyers' searches and on third-party sites like Zillow. Your home will likely appear in some print advertising and digital marketing as well.

Soon after your home goes "live," you should begin to receive showing requests through whatever arrangement you have set up with your agent.

Most common showing and offer scenarios we see during your home's first weekend on the market.

THE SCENARIOS

Multiple Offers Expected While everyone hopes for a multiple offer scenario, they are NOT the norm. These days, we see multiple offers only on homes in hot areas or priced incredibly well. If your home is likely to generate multiple offers, set an offer deadline for sometime after the planned open house. You and your agent can review offers Monday evening or Tuesday afternoon to do a true "apples to apples" comparison of the various offers and allow interested parties time to do due diligence to possibly waive or allow us to break down for you the minimize contingencies.

An Offer Before the Open House

This scenario is perhaps the most perplexing for our clients. We recently had a client in this situation who was quite torn about what to do. Should she accept the full price offer that came in the Saturday before the open house? Did such a solid offer so early on mean that more than one offer would come? The short answer is, it depends.

In this case, we strongly suggested our client accept the offer. The home, while beautiful and in a very desirable location, was at a high price point. It wasn't receiving many showing requests. We had a feeling there would be a lot of people through the open house but probably not many serious buyers (more neighbors than potential buyers). Additionally, the terms of the offer were excellent. However, in many cases it DOES make sense to wait.

If your home is in a popular price point with many showings, and agents are asking the appropriate "pre-offer questions," it's best to wait until after the weekend to review offers.

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How Should I Expect My First Week on the Market to Go?

There have been plenty of showings during your home's first weekend on the market and lots of positive feedback. Potential buyers are "circling," but no one is making an offer. Typically, the homes we see selling in the first weekend are in hot, walkable locations, near Metro, and/or staged to perfection! If you're getting good traffic but no offers, it may mean you're slightly above the mark in price. Remember these real estate rules of thumb when comparing your home's price after it's been on the market:

- Only drivebys and online views = 13% overpriced
- Low or infrequent showings = 9% overpriced
- Showings but no offers = 5% overpriced
- Receiving Offers = Priced Correctly

Showings, But No Interest

If buyers are looking at your home, but no one is expressing ANY interest, you are priced too high. You'll want to know what's holding potential buyers back – is it the price, layout, location, amount of work needed? If there's something that can be fixed, go for it. If not, price usually is the unspoken objection since buyers are comparing your home to others and are finding it too small, unique, dated, or "far out."

No Showings

If no one has requested to see your home during your home's first weekend on the

market, have a conversation with your Realtor. Take a close look at how your home appears online – both the photos and the copy. Make sure it appeals to buyers looking on PCs, tablets, and phones. Check to make sure your showing instructions are not off-putting in any way (such as very limited hours or requiring 24 hours' notice).

Keep in mind: if your home is at a high price point or unique in some way (for example, a very specific architectural style that may not have broad appeal), fret not. You may not have as much traffic through your home, but if your home looks great and is priced well, it will sell. All it takes is that one right buyer!

THE BOTTOM LINE

As with most things in real estate, there's no way to predict what will happen!

Our best advice, as always, is to work with a trusted and experienced Realtor, stage and price your home well, adjust as necessary, and it **WILL** sell!

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PART FOUR

Your Have an Offer!

You have an offer! That's great! But, what does all of it mean? We will go over the real estate contract and decode it step-by-step. We will also discuss how multiple offers are handled and how different contingencies play a role in the offer.



Real Estate Contract Explained

In our market, any offer for sale is made up of the basic body of the contract, addenda or contingencies to the contract, and any required disclosures. While not the most riveting of subjects, this article is one of the most important blogs we've written. Here's what you need to know to decode the real estate contract in the Beaufort County area the most important terms of the real estate contract so you are prepared to negotiate to the best of your ability – as a buyer OR a seller.

BASIC TERMS IN THE BODY OF THE SALES CONTRACT

Price

The most important part of every sales contract is the sales price. While all terms discussed below make up the full scope of the offer, or real estate contract – money talks. Thus, price is the first thing sellers want to talk about.

Closing Costs Some buyers need help with closing costs from the seller. This is more common on properties under \$700,000 and with FHA and VA loans. Whatever number the buyer asks for in closing cost assistance is effectively deducted from your net proceeds. So, an offer of \$510,000 including with \$10,000 in closing cost assistance equals an offer to the seller of \$500,000.

Earnest Money Check

When a buyer writes an offer, she will need to submit an earnest money deposit (EMD) that will be held in escrow by the real estate brokerage company or settlement company. The check will remain in escrow until settlement, when it's credited back to her for closing costs or down payment. Read more here about earnest money deposits.

Settlement Date

Typically, settlement dates are anywhere from 30-60 days from contract date to closing,

depending on the needs of the buyer or seller. Vacant properties typically will settle as quickly as possible, about 30 days from the real estate contract negotiation.

Settlement Company

In our market, the buyer has the right to select the title company. This is a non-negotiable portion of the contract.

Wood-Destroying Insect Inspection

This inspection is required by most lenders to process a loan (exceptions can be new construction or mid- to high-rise condo buildings). In Virginia, the purchaser selects whether they or the seller will pay for the inspection. This cost (approximately \$60) will appear on the closing disclosure at settlement and charged to whichever party is indicated in the contract. If any repairs need to be made per the inspector, you as the seller are always responsible for that cost.

You can pay the treatment company directly or have the cost taken out of your proceeds at settlement. Who Pays? In South Carolina, the seller and buyer both have the ability to pick an inspector. They both also have the ability to pick who pays for the inspection. As a buyer, it is in your best interest to at the very least choose an inspector yourself.

Home Warranty

Buyers have the option of asking you to provide a home warranty. Usually, buyers make this request on older properties or when they are afraid an appliance or major system won't last long. The cost is about \$550 and either the buyer or seller can pay for this

warranty. Again, this option can be negotiated, but in most cases, it isn't.

Condominium (Condo)/Homeowners' Association (HOA) Documents

For properties in HOA or condo associations, the following contingency is part of the contract. Once the buyers receive the condo/HOA documents about the association, they have three days to review them. If within those three days they find something in the rules or documents they don't like (for example, a regulation on renting out the unit or types of pets allowed), they have the option to void the contract. However, that right automatically expires three calendar days after they receive the documents.

Real Estate Contract Standard Contingencies & Terms

In addition to the main body of the contract, buyers can include addenda (typically made up of contingencies) to the contract. Like any other term of the real estate contract, contingencies can be negotiated between the buyer and seller.

Contingencies that are part of most contracts are the home inspection contingency (and radon contingency for homes with basements), appraisal contingency, and financing contingency.

Home Inspection Contingency

Allows buyers to void the contract or negotiate for repairs if the home inspection reveals issues with the property.

Radon Contingency

Allows buyers to void the contract or negotiate for remediation if radon levels in the home are higher than 4.0 pC/L. This contingency typically appears for homes with basements.

Appraisal Contingency

Allows buyers to void the contract or negotiate the sales price if the appraised value is lower than the negotiated sales price.

Financing Contingency

Allows buyers to void the contract if they are rejected for their loan.

Additional Contingencies, Clauses, or Amendments

The items below are a part of most contracts, but are not as common as the contingencies discussed above.

Purchaser's Home Sale Contingency

This contingency is used when buyers have to sell their home to qualify for the purchase of the next home. With the home sale contingency, the buyers would have a certain number of days to put their home on the market (if it's not already) and write a contract with the home inspection contingency removed. They would also need to indicate the number of days required to put their home on the market and the listing price. Most sellers want to see the house listed for sale within a week or so. However, this contingency can be difficult to negotiate and is more likely to work with a home that's been on the market for a while or for homes in higher price points. If the buyer's house does not sell, you and the buyer can agree

to extend the timeline, or allow the contract to become void.

Contract Contingent on Successful Settlement of Purchasers' Home

If the buyer's house is already under contract, the contract would then be contingent on the successful settlement of the home. The successful settlement option is preferable (over the home sale contingency), as no major contingencies remain on the buyer's contract. Most sellers will accept a settlement contingency because it is likely that everything will proceed smoothly to settlement. As in a home sale contingency, if the buyer's house doesn't settle for some reason, you and the buyers can negotiate an extension, or they can void the contract.

Home of Choice Contingency

As the seller, you can include a home of choice contingency. This contingency allows you to accept a buyer's contract, but it's contingent on you finding another home to purchase. If you don't find a new house within the designated time period, you can void the contract.

Post or Pre-Settlement Occupancy

Depending on when the buyer or seller needs to move, a post- or pre-settlement occupancy may be required. In the real estate world, a post-settlement occupancy is often referred to as a "rent-back," when you stay in the home after settlement. You then rent the home from the buyer for a certain time frame. The maximum time a lender will allow for a rent-back is 60 days. A rent-back is more common than a pre-settlement occupancy. In a pre-settlement occupancy, the buyer moves into the house prior to settlement. The pre-settlement occupancy is not as common as it can muddy the waters if something breaks in the house during that timeframe.



Choosing Between Multiple Offers

If you are selling your home and find yourself in the fortunate position of receiving multiple offers on your home, it's important to look closely at all the offers in hand, after taking a moment to celebrate! While price is often the deciding factor in choosing between multiple offers, sellers should always look at all the terms of each sales contract. Key terms such as settlement date and contingencies are just as important (sometimes more so) than price.

CONTINGENCIES

Can the buyer back out of the contract? You want to look for any contingencies included in each offer and assess how easily a buyer could get out of the contract. Some contingencies are significantly more palatable to sellers than others. You will want to discuss the details of any contingencies with your Realtor.

LOOK FOR THE BEST AND STRONGEST TERMS

While tempting to focus on the amount of each offer, it's very important to also look at the other terms of the contract in a multiple-offer situation. Does the settlement date align with your plans? Would you need a rent-back? If so, do any of the offers include a free rent-back?

OTHER FEES

Is the buyer requesting you to pay for a home warranty or pest inspection? While these fees are not substantial, a buyer who is willing to pay for their own inspections and warranty is preferable to one asking you to pay.

AMOUNT OF THE EARNEST MONEY DEPOSIT

The earnest money deposit (EMD) shows the seller that the buyers are “earnest” about buying the house. The higher the EMD, the more serious the buyer. If for some reason the buyers back out or defaults on the contract, they would lose their EMD.

CHECK THE BUYERS’ FINANCING

Review how the buyers are paying for the house and double check it! If it is a cash offer, make sure the buyers have proof of funds in the form of a letter from their bank or a copy of their most recent statement. If the buyers are financing the home, first check that they are pre-approved, with a lender letter. Then look at the type of program and bank they are using. Not all are lenders and loan programs are created equal! Listing agents prefer to work with local lenders whenever possible.

CHECK THE BUYERS’ TITLE COMPANY

Check the title company the buyer plans to use for closing. Your agent should be able to tell you if it’s a reputable company. Your agent may have a preferred title company with a proven track record that he or she prefers to use.

DON’T GET PERSONAL

Remember, choosing an offer is a business decision, not a personal one. Try not to look at any heartfelt letters or photos buyers may have included in their offers. Review

the contract terms and pick the one that makes the most sense for you financially and logistically.

LISTEN TO YOUR REALTOR

You will want to heed your Realtor’s advice when choosing between multiple offers. This situation is one of the main reasons you want a trusted and experienced agent on your side. Your Realtor will help you sort through the offers and present you with an “apples-to-apples” comparison and suggest the best course of action.

THE BOTTOM LINE

Choosing between multiple offers is every home seller’s dream! Enjoy the moment but take the time to look closely at the terms and conditions of each offer. Your Realtor will guide you through the process and suggest the best course of action.

EVERYTHING YOU NEED TO KNOW ABOUT HOME INSPECTIONS

While we realize this might not be the most riveting topic, it is without a doubt one of the most important. Not understanding how home inspections work can literally leave you with thousands of dollars on the table. Don't let that happen to you!

SO REALLY, WHAT IS A HOME INSPECTION CONTINGENCY?

When writing the contract, the purchaser has the option to include a home inspection contingency. There are two types of inspection contingencies.

The first is the standard inspection contingency, which allows the purchaser to

have a licensed home inspector conduct a home inspection on the property and from the findings either negotiate for repairs or void the contract.

The second is what is known as an “up or down” inspection contingency, or a contingency with a right to void only. This means the buyer can still void the contract if they don't like what they find in the inspection, but they cannot negotiate for repairs.

During either contingency period, the purchaser is also free to conduct any other type of inspection they might want to do including roof, pool, chimney, and mold or radon tests. Without either of the above contingencies, the purchaser is still able to arrange an inspection for informational purposes (if approved by the seller), but cannot void the contract or negotiate repairs if they don't like what they find.



WHAT HAPPENS AT THE ACTUAL INSPECTION

The inspector, the buyer, and the buyer's agent attend the home inspections. As the seller, you should not be present at the home during the inspection. We know... your home is under contract so you've let things slip, but it's time to get things back in show condition! Remove the dirty dishes, replace burnt-out light bulbs, change the HVAC filter, and make sure the electrical panel and attic or crawl space entries are accessible. If you don't have smoke detectors on each floor and in each bedroom (or they don't have batteries), now is a good time to install them.

In our market, sellers aren't obligated to make any fixes since all homes convey in as-is condition. However, sellers will often make repairs, especially safety concerns or electrical and plumbing deficiencies. Items that are cosmetic or are considered "upgrades" are typically not negotiated as part of the inspection.

SOUTH CAROLINA HOME INSPECTION

When buyers write the initial offer with a standard home inspection contingency in South Carolina, they must select dates for three key periods: the initial home inspection contingency period, the negotiation period, and the walk-away period.

The seller can counter the dates proposed by the buyer. Here are the important dates in South Carolina:

Length of time of the initial contingency: This is the contingency period, typically about ten days, during which the buyer can conduct the home inspection and decide whether to proceed with the purchase based on the findings.

Length of time of the negotiation period: This period usually lasts around five days and begins when the buyer submits a copy of the home inspection report along with any repair requests. During this time, both parties negotiate the list of requested repairs. If an agreement is not reached by the end of this period, they enter the walk-away period.

Length of time of the "walk away" time frame: The walk-away period typically lasts one to two days. If buyers are not satisfied with the seller's response to the repair requests by the end of this time, they can decide to either accept the seller's final offer or void the contract.

For contingencies with only the right to void, buyers only select the length of time for the initial contingency since there is no negotiation period or walk-away period. In most cases, the buyer will submit a copy of the inspection report along with a list of repair requests, leading to potential counteroffers during the negotiation period. Ultimately, the buyer and seller must agree to the terms.

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PART FIVE

Under Contract to Sold!

Once you have accepted an offer on your home, you are officially under contract and many things need to happen in order to get to a successful settlement. We'll go over the details of how home inspections work, what conveys (or stays) with a home when you move out, what you need to do to prepare, plus some of our best moving tips. We'll also discuss the settlement process and the transfer of ownership to officially make your home SOLD!



What to Leave When Moving Out

What to leave when moving out? Keep the paint cans so the buyer can touch up or remove them? How about those extra tiles – do they stay or go?

Time and again, sellers run into sticky situations when preparing to move out of a home. Confusion can arise about what items stay with or in the home and what items should be taken when moving out. For example, sellers sometimes take bathroom mirrors that buyers think convey with the home. Conversely, we have seen cases of sellers leaving items, trying to be helpful, only to have to pay to have them removed at the 11th hour.

The rule of thumb in our area is that, other than electronics, if something is affixed to the wall or the ground, it conveys with the house – unless otherwise specified. Buyers should be specific about what they want or don't want to convey by writing it into the contract. If the

bathroom mirrors are hanging on the wall and not affixed the seller may take them.

Sellers should let their listing agent know which items they will not convey before putting their home on the market. Often, it's a good idea to remove any such items before photos are taken to eliminate confusion. If sellers leave these items in the house, be sure when an offer is received to note anything they have left. For instance, sellers should ask in advance if the buyer wants the paint cans for touch up and colors or if they should remove. Sellers should also be sure to check attics and sheds to be sure they are clear.

Before moving in or out, the best thing to do is to check the conveyances page of the sales contract to see exactly what stays with the home. Doing so will eliminate many questions and potential headaches.

Here is our breakdown of what traditionally stays in a property when a home is sold (unless otherwise noted in the contract):

APPLIANCES

In our area, the general rule of thumb is that appliances stay in the home when the seller moves out. However, this is a guideline and is NOT written in stone. Again, check the conveyances page of the sales contract, which outlines all of the home's appliances and their status, so there are no last-minute surprises.

TV WALL MOUNTS

Any surface or wall mounted electronic components do NOT convey with the home. Unless noted otherwise, the seller will take such items. It is important to note here that the property should be in substantially the same condition as it was at the time of home inspection or the offer being written (depending on which option was selected when the buyer wrote the offer). For example, leaving a giant hole in the wall would be a problem, while a small hole the size of a standard nail would not need to be fixed. Of course, it's always preferable when sellers do fix such issues, but it's not required. Buyers can always request this work be done in the sales contract or at the home inspection prior to settlement.

LIGHT FIXTURES

Light fixtures, lamps, and chandeliers often spark debate between the parties. Similar to the TV wall mounts, light fixtures (requiring

tools to remove) must remain in the house unless the seller explicitly states in the written contract the item isn't included in the sale. Verbal statements don't count! As mentioned above, if sellers really want to keep a special light fixture, they should remove it prior to listing the home to keep this from becoming an issue at settlement.

BUILT-INS

Any built-in furniture or items such as bookshelves, desks, benches, or entertainment centers stay in the home. If they aren't built-in, the rule is they would not convey unless otherwise specified.

WINDOW TREATMENTS

Custom blinds and shutters (e.g. plantation shutters) stay with the home. So do curtain rods! Curtains or draperies, on the other hand, are a case-by-case basis, so pay special attention to the contract!

ALARM SYSTEMS AND SMOKE DETECTORS

Any alarm system, unless wireless, stays in the home. Smoke and carbon monoxide detectors also stay. Buyers should plan to replace all the batteries on moving day and test the devices right away.

CABINET HARDWARE

Any cabinet hardware must remain in place. If the sellers just can't part with their special antique glass drawer pulls, they can remove and take them when moving. But they'll need

the buyer to agree to it in the contract and replace them with another option.

MIRRORS

It is generally assumed that any mirrors hung in bathrooms (above the sink) will convey with the house. However, if they're hanging they may be removed by the seller. Again, if you're unsure, write it into the contract.

OUTSIDE

Any landscaping – plants, shrubs and trees planted in the ground – must remain with the house. However, any backyard equipment – such as patio furniture, lawn chairs, tables, portable fire pits, swings, and grills – are considered the seller's personal items and should leave with the seller. Note that swingsets generally convey, but not always, so the buyer should be sure to ask upfront.

ITEMS IN THE GARAGE OR STORAGE AREAS

Loose items or non-built-in shelving don't convey with the house. If the sellers would like to be helpful and leave extra paint cans or storage shelving that's not affixed, they should check with the buyer in advance. Similarly, if buyers would like these items, they should request them up front.

THE BOTTOM LINE

So, what to leave when moving out? When in doubt, ask! Buyers and sellers should first check the conveyances page of the sales contract to see what items convey with the home before settlement. If there are still doubts, check with your agent, who'll likely know or can quickly find the answer.

If there's something buyers really love and would like to convey with the home (such as a chandelier or mirror), their agent can always write the request into the contract. The seller is never obligated to meet such requests. The bottom line is that what's affixed stays, everything else doesn't and that verbal statements don't count – only what's written in the contract.



Buying or Selling Your Home?

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