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29

Essential Tips That Get Homes Sold Fast (And For Top Dollar)

SELLING YOUR HOME
CAN AFFECT YOUR
VERY FINANCIAL
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Essential Tips That Get Homes Sold Fast (And For Top Dollar)

Selling your home is one of the most important steps in your life. Here are 29 essential tips you must know...

For most people, selling their home means cashing in their biggest asset. In other words, it must be handled with great care if you hope to protect—and capitalize on—your investment.

This guide was written with one goal in mind: to give you the tools you need to maximize your profits, maintain control, and reduce the stress that comes with the home-selling process.

Tip No. 1 Know why you're selling.

The reason you look closely at why you want to sell is that your motivations play an important role in the process. They affect everything from setting a price to deciding how much time and money you'll invest to getting your home ready for selling.

For example, what's more important to you: the money you walk away with, or the length of time your property is on the market? If your goal is a quick sale, that can dictate one kind of approach. If you want to maximize your profit, the sales process will almost certainly take longer.

Tip No. 2 Once you know, keep it to yourself.

Your reasons will affect how you negotiate the sale of your home, but they shouldn't be given as ammunition to the person who wants to buy it. For example, a prospective buyer who knows you must move quickly has you at their mercy in the negotiation process. When asked, simply say that your housing needs have changed. Your reasons are nobody's business but your own.

Tip No. 3 Do your homework before setting a price.

Settling on an offering price shouldn't be done lightly. Once you've set your price, you've told buyers the absolute maximum they have to pay for your home. The trick for the seller is to get a selling price as close to the offering price as possible. If you start out by pricing too high, you might not be taken seriously by prospective buyers and their agents. A price too low can result in selling for much less than you had hoped for.

Setting your home's sale price can be a fairly easy process. If you live in a subdivision comprised of homes with similar or identical floor plans, built in the same time period, then all you have to do is look at recent sales in the neighborhood to give you a good ballpark figure.

But many people live in older neighborhoods that have changed quite a bit over the years. Every home in your neighborhood may be different in minor or substantial ways—the house next door may have added another bedroom, for example, or the one across the street might have been built recently to fill a vacant lot. As a neighborhood evolves over the years, you may find that there aren't any homes that are truly comparable to your own.

If you decide to sell your home on your own, the most common way to set a value is to look at homes that have sold in your neighborhood within the past six to 12 months, as well as those now on the market. That's certainly how prospective buyers will assess the worth of your home.

You can usually learn what homes have sold for in your neighborhood by making a quick trip to City Hall; home sale information is in the public records in most communities (but not all).

If this sounds like a lot of work, you may decide to hire a Realtor. Your Realtor will do all the market research and provide you with comps showing where your home should be priced to best meet your goals—a fast sell, maximum profit, etc.

A good Realtor is attuned to nuances in the market that may not be apparent from comparable sales and listings.

Tip No. 4 Go home shopping yourself.

The best way to get to know your competition, identify features that are popular and learn what turns buyers off is to check out other open houses. Plan on spending a few weekends touring other homes on the market to learn what other sellers are asking. Be sure to make note of the floor plan, condition, appearance, size of lot, location and other features.

If you visit enough homes and pay close attention to the details (and what other "buyers" are saying), you'll develop a good understanding of how different features affect pricing. And then you can apply what

you've learned to the task of setting your price. But don't forget to include in the equation what homes are actually selling for, not just simply what people are asking. And remember, if you're serious about getting your home sold quickly, don't be more expensive than your neighbor.

Tip No. 5 Know when to get an appraisal.

Sometimes you can use a good appraisal to your benefit in marketing your home. And if you get a VA or FHA appraisal, you can use it to let prospective buyers know that your home can be financed. However, an appraisal costs money. It also has a limited life. And you may not like the figure you hear.

Tip No. 6 Your tax assessment means almost nothing.

Some people look to tax assessments to assign a value. The problem here is that assessments are based on a number of criteria unrelated to property values, so they often don't necessarily reflect the true value of your home. Have you ever heard of two identical homes in the same neighborhood with dramatically different assessed values because one was purchased more recently than the other? Well, it happens quite often.

Tip No. 7 Find a good Realtor.[®]

Nearly two-thirds of the people who sell their own home say they wouldn't do it themselves again, according to research by the National Association of Realtors[®]. Sellers surveyed point to difficulties in setting a price, marketing handicaps and liability concerns among the primary reasons they would turn to a Realtor[®] next time. And selling a home yourself usually eats up more time and effort than you might initially expect.

Once you understand how much work it will be to sell it yourself, talk to a Realtor[®] you trust even if you decide to strike out on your own. Many top professionals are more than willing to help do-it-yourself sellers with the paperwork, contracts, etc. Plus you'll have a relationship with an agent if problems do arise that require professional help.

If you decide to work with a Realtor,[®] contact four or five—you probably met a few that you liked during your open house tour. Explain to each that you're thinking about putting your home on the market and you'd like to meet to talk about pricing and marketing. By having this group "evaluation" done, you should end up with a fairly tight price range to help guide your decision. Any Realtor[®] who is substantially higher or lower than the group should be able to justify their estimate. Just as you should be concerned with too low of a price, beware of an agent who gives you the highest price—they may be trying to buy your listing.

A good Realtor® knows the market and your neighborhood in particular. They will supply you with information on past sales, current listings, a marketing plan, something on their own background, and references from past clients. Take the time to carefully evaluate candidates on the basis of their experience, qualifications, enthusiasm, and personality. Most importantly, make sure you choose someone who is going to put in a lot of hard work on your behalf.

Tip No. 8 Give yourself room to negotiate.

Make sure you leave yourself enough room in which to bargain. If what you ask for is unacceptable to the buyer, and their first offer is unacceptable to you, then you better make sure you have someplace to go that is acceptable to you.

Start with the absolute minimum price you would accept, then pick the price you'd get if the world were perfect. This gives you your range to keep in mind when working with your Realtor® to negotiate the sale.

In setting your asking price, review your priorities. Do you want to maximize your profit or sell quickly? You'll price high for the former and closer to market value if the latter is the case.

Tip No. 9 Maximize your home's sales potential.

Each year, corporate North America spends billions of dollars on product and packaging design. The lesson here is that appearance is critical—and it would be foolish to ignore this when selling your home.

You may not be able to change your home's location or its floor plan, but you can do a lot to improve its appearance. And you should. The look and "feel" of your home generates a greater emotional response than any other factor. You may price your home to sell, but a prospective buyer reacts to what they see, hear, feel and smell.

Tip No. 10 Rely on other people's judgement as well as your own.

The key to effective marketing is knowing your product's good and bad points. In the case of your home, accentuating the good can mean a faster sale for more money; failing to deal with the bad can mean months on the market and a lower-than-desired sales price.

The biggest mistake you can make at this point is to rely solely on your own judgement. Remember this is your home, a place of fond memories. There are bound to be emotional issues that can impair your ability to make an honest assessment of your home's strengths and weaknesses.

In evaluating what improvements you can make, don't be shy about asking others for their opinions. But make sure you're getting an honest answer; some may try to spare your feelings, just what you don't need. Fortunately, your Realtor® won't be shy in discussing what should be done to make a home more marketable.

Tip No. 11 Clean like you've never cleaned before.

Pick up, straighten, unclutter, scrub, scour, dust...well, you get the idea. If your living room feels crowded, take out every piece of furniture you can get away with. If your home still isn't ready to appear in *House Beautiful*, then clean some more. Remember, you're not just competing with other people's homes—you're going up against brand-new homes as well.

Tip No. 12 Fix everything no matter how insignificant it may appear.

The step that squeaks, the light switch that doesn't work, the hairline crack in the bathroom mirror—they might be minor annoyances to you, but they can also be deal-killers. The problem is that you never know what will turn a buyer off. And even something minor that's gone unattended can suggest that perhaps there are bigger, less visible problems present as well.

Tip No. 13 Remove all traces of you from your home.

When you toured other people's homes, you may have felt some discomfort. This probably occurred because you saw, heard or otherwise sensed something that made you feel as if you were intruding into someone's life.

The last thing you want others to feel in visiting your home is that same sense of discomfort. Avoid this by making your home as neutral as possible. Anything that interferes with a prospective buyers' ability to see themselves living in your home must be eliminated. A few carefully chosen knickknacks and family portraits may add warmth and character to the home, too many are a distraction. Avoid unique or trendy color schemes—paint and carpet in neutral shades of white or beige.

Tip No. 14 The little touches can make a difference.

While personal items can detract, other small touches can help make your house a home to buyers. A well-placed vase of flowers, accent pieces of sculpture, potpourri in the bathroom—all can enhance the attractiveness of your home in a subtle, soft-spoken way. Try perusing any of the home magazines for tips.

Tip No. 15 Don't let a smell be your downfall.

Odd smells kill deals quickly. All traces of food, pet and smoking odors must be eliminated. Even when you're sure they're gone, don't encourage prospective buyers to imagine things. If they know that you're a smoker or that you have a dog, they'll start smelling odors and seeing stains that may not even exist. Be safe—don't leave any clues.

Tip No. 16 Disclose everything.

Smart sellers proactively go above and beyond the laws to disclose all known defects to their buyers—in writing. If the buyer knows about a problem, he can't come back with a lawsuit later on.

Tip No. 17 The more prospects, the better.

By maximizing your home's marketability, you'll increase your chances of attracting more than one prospective buyer. Why is this better? Because several buyers compete with each other; a single buyer ends up competing with you.

Tip No. 18 Don't get emotional during negotiations.

The extent of most people's experience in the art of negotiation begins and ends at their local auto dealership. And few of us have pleasant memories of haggling with car salesmen. But if you can just let go of the emotion you've invested in your home and approach negotiations in a detached, businesslike manner, you'll find the process to be a lot less painful. In fact, you might even enjoy it—and you'll definitely have an advantage over prospective buyers who get caught up in the emotion of the situation.

Tip No. 19 Know your buyer.

In the negotiation process, your objective is to control the pace and set the duration. And the better you know your buyer, the more easily you can maintain control.

As a rule, buyers want the best property they can afford for the least amount of money. But knowing specifically what motivates your buyer enables you to negotiate more effectively. Maybe your buyer needs to move quickly. Or the maximum amount he can spend is just a little below your asking price. Knowing this information puts you in a better bargaining position.

Tip No. 20 Find out what the buyer can pay.

As soon as possible, try to find out the mortgage amount the buyer is qualified to carry and the size of his down payment. If he makes a low offer, question his Realtor[®] about his client's ability to really pay what your home is worth.

Tip No. 21 Find out when the buyer would like to close.

When a buyer would “like” to close is often when they need to close. Knowing this gives you his deadline for completing negotiations—again, an advantage in negotiations.

Tip No. 22 Don't sign a deal on your next home until you close the deal on this one.

If circumstances conspire to force you into closing on your new home while you're still making mortgage payments on the old one, you might end up turning yourself into a seller who is eager (or desperate) for the first deal that comes along.

Tip No. 23 Don't move out before you sell.

Studies have shown that it is more difficult to sell a home that is vacant—it looks forelorn, forgotten, simply not appealing. It could even cost you thousands. If you move, you're also telling buyers that you have a new home and are probably motivated to sell.

Tip No. 24 Don't give yourself a deadline.

Forcing yourself to sell by a certain date adds unnecessary pressure and puts you at a serious disadvantage in negotiations.

Tip No. 25 Don't take a low offer personally.

The first offer is invariably well below what you both know the buyer will end up paying for your property. Don't get angry or feel insulted; evaluate the offer objectively. Make sure it spells out the offering price, adequate earnest money, amount of down payment, mortgage amount, a closing date and any special requests. Now you have a point from which you can negotiate.

Tip No. 26 A really low offer may mean the buyer's not qualified.

If you feel an offer is inadequate, now would be a good time to make sure the buyer has been qualified to carry a mortgage of the size this deal would require (if you haven't learned this already). Ask how they arrived at their figure, then suggest their agent use comparables to establish what homes are going for in your neighborhood.

Tip No. 27 Don't take a lowball offer seriously.

An unacceptably low offer should not be taken personally or seriously. Rather, it should be countered, even with the slightest of reductions in your asking price. This lets a buyer know that their first offer isn't seen as a very serious one.

Tip No. 28 Make sure the contract is complete.

The best way to avoid problems is to make sure that all terms, costs and responsibilities are spelled out in the contract of sale. A contract should include the date it was made, the names of the parties involved in the transaction, the address of the property being sold, the purchase price, where deposit monies will be held, the date for loan approval, the date and place of closing, type of deed, any contingencies that remain to be settled, and whether there's any personal property included (or not) in the sale, among other things.

Tip No. 29 Don't deviate from the contract.

Resist the temptation to diverge from the contract. For example, if the buyer requests a move-in prior to closing, just say no. Now is not the time to take any chances of the deal falling through.

If this all sounds like a lot of work, it is. But it's to be expected when you're selling anything of such great value. And you'll thank yourself for all the expense and hard work when the outcome works to your satisfaction.

