
YOUR HOMESELLER GUIDE



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CONTENTS

3

SET UP REASONABLE EXPECTATIONS

4

PREPARING YOUR HOME FOR SALE

5

MARKET CONDITIONS

6

STAGING AND PHOTOS

7

MARKETING YOUR HOME

8

BENEFITS OF PROPER PRICING

9

NEGOTIATING CONTRACTS

10

CLOSING THE DEAL

11

FAQ

SELLING A HOME CAN BE A VERY EMOTIONAL EXPERIENCE. YOU MIGHT BE AFRAID TO LET GO OF YOUR MEMORIES, BUT IT'LL BE THAT MUCH MORE EXCITING TO MAKE NEW MEMORIES IN YOUR NEW HOME. FOR THAT VERY REASON, DON'T GO IT ALONE - INSTEAD, GO WITH A TRUSTED REAL ESTATE TEAM THAT CAN ENSURE YOUR SUCCESS .

START WITH THE 'WHY' AND SET UP REASONABLE EXPECTATIONS

First, and most importantly, the reasons for why you want to sell your home need to be clear for you and your family.

- Do you want to upgrade to a bigger house?
- Alternatively, are you downsizing to a smaller unit or is it just a business decision?
- Do you want to move to a different location or is there a new job opportunity in another city?
- How much time do you have to sell your home?

These different reasons will help you establish some reasonable expectations for your home sale. Your agent should be familiar with your needs and they certainly want to help you sell the property as quickly as you wish.

If you want to lower the stress level, then building good communication methods between you (the seller) and the agent are key. And this partnership between you and your realtor is the one that will ensure your success.

Selling your home quickly should always be a high priority. Not only will it help to ensure that you won't have to spend time showing it to potential buyers, but it should also give you a higher-priced sale. Unfortunately, the longer your house is on the market the more buyers will wonder what is wrong with the property. They might assume that it's overpriced, and will begin to lower their offers. But—and it's a big but - do not take a quick sale for granted. Quick sales are the result of hard work on the part of you and your agent. Make a note to stay positive during the experience and work with your agent as a team.

When you are in a position to sell, do your homework to make sure selling your home makes financial sense. For most of us, financial readiness boils down to one thing—equity. How much equity is enough? We recommend having at least enough equity to pay off your current mortgage and enough money left over to provide a 20 percent down payment for a future purchase. To get a better estimate for your home's value, ask your real estate agent to run a free comparative market analysis (CMA).



PREPARING YOUR HOME FOR SALE

It takes three seconds to make a good first impression. It is important to put your home in its best light because it will help to create a buzz. This can be achieved by improving your home to impress buyers.

Exteriors:

- Fix or replace anything damaged or worn
- Paint or pressure wash
- Fix doorbells
- Clean or paint front door
- Create curb appeal: freshly cut green grass, fresh flowers or plants
- Clean gutters
- Touch up the mulch and make minor repairs

Interior:

- Fresh new paint
- Clean carpet or refinish floors
- Kitchen appliances
- Fix light switches
- Upgrade lighting
- Fix or replace any floor tiles
- Eliminate any odor
- Fix drippy sinks and toilets
- Declutter
- Depersonalize and remove family photos

There are three types of improvements that will impress buyers and help sell your home:

1- Cost effective improvements

2- Upgrades and repairs

3- Reorganization and maintenance



MARKET CONDITIONS

GET THE COMPARATIVE MARKET ANALYSIS (CMA)

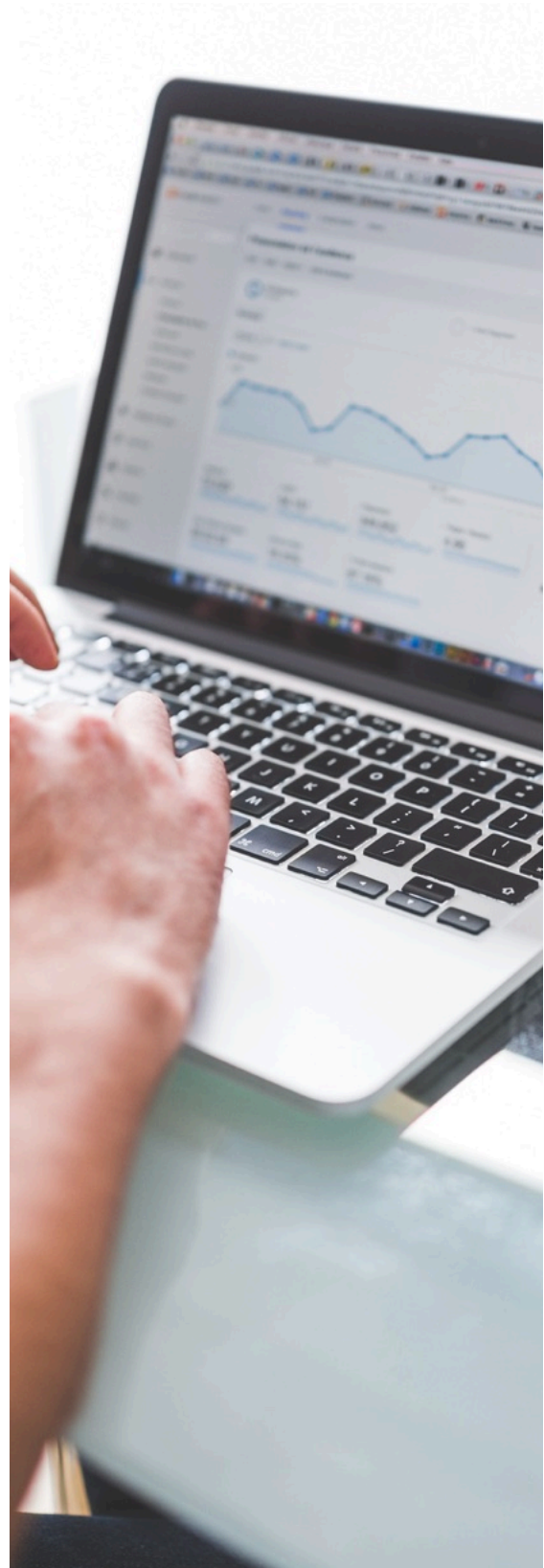
A comparative market analysis (CMA) is information taken from a local multiple listings service (MLS) database. It pulls together pricing information, property details and photographs of homes similar to yours—referred to as "comps".

Comparative properties in your CMA should include:

- Homes that have sold, expired, have a pending sale or have been active in the last 6 months.
- Homes with the same number of bedrooms and bathrooms
- Homes within roughly 500 square feet of yours
- Homes that are in the same neighborhood
- Homes that are in the same or comparable school zones
- Homes with a similar lot size to yours
- Homes with similar amenities to yours

A CMA report will include the price or price range an agent will suggest for your home when you choose to list it. If you set a fair asking price from the start, this will help generate interest from buyers and other real estate agents. From there, it will also increase the likelihood that you secure a quick sale. Good real estate agents always recommend sellers set a fair market price rather than starting off with a listing that is too high. Studies show that homes priced just over the market value take longer to sell. And then, the knock-on effect is that potential buyers suspect your home has something wrong with it. The seller has to drop the price below the market value in order for their property to compete with newer, more reasonably priced homes that have just come on the market.

Generally, a home's fair market value is the price it would sell for in perfect conditions, i.e. where the buyer and seller act of their own free wills (neither is desperate to buy or sell), are aware of the home's good and bad points, and either could just as easily walk away from the deal.



STAGING AND PHOTOS

According to the National Association of REALTORS®, 40% of buyers' agents stated that home staging affected most buyers' view of the home. Before you show your home to people, it makes a huge difference if you hire a professional stager whose job it is to make your house look bigger, brighter, cleaner and warmer. This gives buyers the nudge they need to want to buy your home by demonstrating its potential. A buyer is about to make what is likely to be the biggest investment of their lives, so they must love it. Stagers are experts at making a home look amazing and they can bring in all the necessary furniture or décor so you don't need to worry about it. It is your decision at the end of the day, but it could mean the difference between a quick sale with thousands of dollars and results that don't give you what you want.



The sooner you can get your home ready for pictures, the sooner you will be able to get it on the market and get it sold. Professional photos are the key for a great first impression. Also, they are excellent marketing tools, since **96% of home buyers are influenced by the pictures** before they schedule a showing. If you have done some of the previous things mentioned in the guide so far, there is no doubt the pictures will turn out perfect. After all, the internet is what ultimately is going to attract people to your house, so the pictures have to stand out from the rest. Many photographers will also add on a video tour of the property as well. This will help give prospective buyers a better idea of the layout of the home prior to scheduling an appointment.

MARKETING YOUR HOME

Marketing is where you will see the true value of hiring a professional and an experienced real estate agent who will help you sell your home. First and foremost, he or she will list your property on **MLS**. MLS databases are considered the most accurate when it comes to details on the internet. Your scope of potential buyers becomes much larger because you are not relying on just the services of a particular broker but other brokers within the network your agent belongs to. Your agent can hold a **broker's open**. What is this? The main benefit of the broker's open house is that every professional real estate agent who comes to see your home can represent many potential buyers. As they walk through your home, they are checking it out to see if it is suitable for any of the people they are in contact with. A large, full-sized **For Sale sign** will be placed strategically on your property so that it is clearly noticeable from the road. Your agent's contact information will be displayed on the sign, so any interested buyers who are just driving through the neighborhood, will easily see the contact information to reach out with further questions regarding your house.



Once your property is listed on MLS, your agent can hold an **open house**. Open houses are a phenomenal way to generate foot traffic into your home to give potential buyers an overview of all its unique features, and to give them the opportunity to fall in love with it in person. Once your agent updates your listing on the MLS to 'open house', your property will automatically be listed on numerous sites such as Zillow, Realtor, Trulia and many more. Imagine the exposure you might get just from holding an open house for a few hours over a weekend.

In addition, your agent might consider **direct mail marketing, agent to agent referrals, and social media advertising**.

Facebook and Instagram come into their own when it comes to selling your home. Facebook, offers three primary ways to get the attention of potential buyers. You can post to your page, create ads, or post on forums and groups. And Instagram is perfect for real estate as the site is visually driven. Posting beautiful images and videos create a wonderful way to put your listing in front of potential buyers.

And let's don't forget word-of-mouth advertising. Casual social interactions—conversations in your local store or at your kid's school—should never be underestimated. A potential buyer could be just around the corner and ready to make an offer on your home.



BENEFITS OF PROPER PRICING

- **Faster Sale.** The proper price gets a faster sale, which means you save on mortgage payments, real estate taxes, insurances, and other carrying costs.
- **Less Inconvenience.** As you may know, it takes a lot of time and energy to prepare your home for showings, to keep the property clean, to make arrangements for children and pets, and generally to alter your lifestyle. Proper pricing shortens market time.
- **Increased Salesperson Response.** When salespeople are excited about a property and its price, they make special efforts to contact all their potential buyers and show the property whenever possible.
- **Exposure to More Prospects.** Pricing at market value will open your home to more people who can afford it.
- **Better Response from Advertising.** Buyer inquiry calls are more readily converted into showing appointments when the price is not a deterrent.
- **Higher Offers.** When a property is priced right, buyers are much less likely to make a low offer for fear of losing out on a great value.
- **More Money to Sellers.** When a property is priced right, the excitement of the market produces a higher sales price in less time. You net more due to the higher sales price and lower carrying costs.

DRAWBACKS OF OVER PRICING

- **Reduces Activity.** Agents won't show the property if they feel its priced too high.
- **Lower Advertising Response.** Buyer excitement will be with other properties that offer better value.
- **Loss of Interested Buyers.** The property will seem inferior in amenities to other properties in the same price range that are correctly priced.
- **Attract the Wrong Prospects.** Serious buyers will feel that they should be getting more for the price.
- **Less Competition.** The high price makes the others look like a good deal.
- **Causes Appraisal Problems.** Appraisers must base their value on what comparable properties have sold for.
- **Lower Net Proceeds.** Most of the time an overpriced property will eventually end up selling for less than if it had been properly priced to begin with, not to mention the extra carrying costs.



RECEIVING OFFERS AND NEGOTIATING CONTRACTS

According to the National Association of REALTORS®, the best chance of selling your house is in the first three weeks of it being on the market. When you understand this, it helps you set realistic expectations for the home-selling process.

As a seller, it is tempting to accept a potential buyer's first offer. In most cases, however, buyers expect back-and-forth negotiations, and it is likely their initial offer will be lower than your list price. At this point, you the seller have three options:

- Accept the contract
- Make some changes and counter it
- Reject it



Once an offer has been accepted, in most cases, the contract will be contingent on a home inspection. It is very common that a 4-point inspection will be ordered by the buyer. It will influence the buyer's ability to get home owners insurance and obtain a loan. An insurance company wants to know if all major systems (plumbing, electrical, HVAC, roof) are in good working condition. A licensed contractor will be hired who will come up with a report a couple days after the inspection on the property. The seller is usually not obligated to fix any of the defects that come back in the home inspection report (if any). Please note that if you cannot come to an agreement, the buyer may have the option to terminate the contract and walk away.

Shortly after a ratified contract, the buyer's lender will order an appraisal of the property. This will ensure that the property is worth at least the purchase price you have agreed on with the buyer. The appraisal will be paid for by the buyer. If the property appraises at or above the purchase price, then everything is good, and the contract can continue. If the appraisal comes in low, we can always ask to have it re-appraised, or we may have to adjust the purchase price to meet this number in order for the buyer to obtain the financing. Remember, at the first stage, you went with a fair price as per the recommendation of your agent. And this demonstrates why doing your homework and ensuring your property is comparable to comps in your area as per the CMA is so important.

CLOSING THE DEAL

Closing the deal is when the house buyer and seller fulfil all the agreements made in the sales contract. In literal terms, it is about the transfer of money and documents so that you, the seller, can hand over ownership and possession of the property free and clear to the buyer.

The escrow agent will take in all the documents, money, and other items needed to close from the parties assigned to furnish them, pay out the money, pay off all the old lenders and lienholders, and pay the sales agents and other service providers.

At closing, sellers are expected to pay fees as a percentage of the sale price. All the fees that will be debited to the seller will show on ALTA settlement agreement. They may include:

- County property taxes
- State doc taxes
- Recording fees
- Title search
- Real estate commission fees
- Owners policy
- Closing service fees
- HOA dues (if any)
- Unpaid principal/interest (if any)



These amounts will be pro-rated to the closing date. Depending on your area and state laws, it is likely you will be charged taxes on the sale transaction. These are worked out based on the property's value and local laws. Check out your state and county taxing authority's website for more information about your local tax rates.

Recording fees are another expense that usually differ between counties. Your escrow agent, title agent, or attorney will file the deed, which transfers the property to the buyer with the appropriate county office. As a seller, you are also usually responsible for paying the real estate agents' commission fee in the transaction. This fee is usually stated in the listing agreement. Unlike the buyer, who may have to attend the closing to sign any original loan documents delivered by the lender to the closing, you, as the seller, may or may not need to attend. After the closing is complete, you no longer own the property. Now you need to relinquish possession of the house, unless the contract or another agreement states otherwise. Handover all keys, garage door openers and any other devices that control the home's systems and appliances. By this time, the buyer will expect you to have moved out. All your possessions should be gone and the place should be clean. Not long after receiving full payment of your outstanding mortgage loan, your lender will prepare and deliver a lease of mortgage to you. Sometimes, the lender will send the original release to the escrow agent or directly to the county recorder of deeds for recording. It is crucial, however, that you make sure the release is recorded and returned to you. Keep all the closing documents. Your tax preparer might need to see one or more of these closing documents when preparing your taxes for the year the sale was made.



FAQ'S OF HOME SELLING

WHO PAYS REALTOR FEES WHEN SELLING A HOME?

The seller pays for a real estate agent or realtor commission fees after the sale has closed. The seller and the agent agree to the commission fee, usually a percentage of the final selling price. This number (usually 6%) is basically split up between the seller's agent and the buyer's agent.

DOES ASSESSED VALUE HAVE ANYTHING TO DO WITH MARKET VALUE?

Assessed value is not the same as market value or appraised value. The assessed value of a home is used for the purpose of taxes in your local municipality. The assessed value has no impact on how much your home is worth to a potential buyer in the marketplace.

HOW MUCH DO I HAVE TO DISCLOSE TO BUYERS?

It's a good rule of thumb to disclose everything you know to the potential buyer that may affect the value of the property. If you're aware of defects, whenever possible, fixing them before going on the market is best.

SHOULD I BE PRESENT DURING SHOWINGS AT MY HOME?

No. The primary reason why you should not be present at showings of your home is potential buyer's can feel uncomfortable to talk open and freely with their realtor about your home. The best idea is to leave shortly before the scheduled showing and come back once you are certain the buyer and their realtor have left your home.

SHOULD WE INCLUDE APPLIANCES IN THE SALE OR LEAVE THAT NEGOTIABLE?

A lot of times the appliances bought for one home will not look natural or match a new home, but the decision is ultimately up to the seller. Keep in mind that appliances are considered personal property so they do not add much value.

CAN I TAKE MY FAVORITE LIGHT FIXTURE OR OTHER FAVORITE HOME FEATURE WITH ME?

Anything that's attached to the house is something you'll need to leave behind for the buyer. This includes light fixtures, built-in shelving units, blinds, door hardware, etc. If there's something specific you don't want included in the sale, make sure to include that in your contract.

WHAT IS SALE CONTINGENCY?

Contingent simply means that one thing must happen before another thing happens. In real estate, a very popular contingency is that the potential buyer of a home must sell their existing home, before being able to purchase the "new" home.

