

FOR SALE BY OWNER

Tips on how to be successful

Please review the enclosed information. It was written with the intentions of helping you sell your home without a Realtor. I hope you find it extremely helpful and informative. If you have any questions regarding the content of this packet, please feel free to contact me.

Lawrence Klavitter

Keller Williams Realty Office: (248) 406-2946 Cell: (248) 935-7959 LarryKlavitter@kw.com

Dear Homeowner,

I want to share some information that real estate agents typically don't share. I'm doing this in hope of earning your trust should you ever decide to sell your home using a local real estate agent. Hopefully you will see that I do business a little differently.

Here is what other agents will tell you:

"You'll never be able to sell your home without an agent."

Not true. Selling your home without an agent is very possible, especially as the market recovers.

"You won't save money on commission because buyers will offer you less." You're not obligated to accept any offer that is lower that what you are comfortable with. If you do receive an offer that is acceptable, then you will have saved money on commissions.

"You'll never be able to complete the paperwork."

While the paperwork can be extensive, as long as you are extremely careful and do your due diligence with research, you will be fine. You can also find someone like an attorney or real estate agent who will help you with the paperwork for a flat fee.

"You can't get your home listed on the internet or the MLS."
You can list your home on Zillow, Craigslist, or even YouTube. There are real estate agents who specialize in placing homes on the MLS for a low fee too.

If at any time you have questions regarding the home selling process, I would be happy to help. There are many things to consider such as disclosures, buyer financing, marketing, and pricing. You will also find that most home buyers are working with an agent because there is no cost to the buyer for these services. If you haven't already done so, you should consider whether you are willing to pay the buyer's agent a commission.

I love selling real estate and helping people like you. If you have any questions, contact me. There will be no obligation, no pressure, and no nonsense.

Your Oakland County Real Estate Expert,

Lawrence Klavitter

Keller Williams Realty www.MichiganPreferredHomes.com



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Keller Williams Realty 2730 Union Lake Rd. Commerce, MI 48382 Office: (248) 406-2946 Cell: (248) 935-7959 LarryKlavitter@kw.com







Are you wanting to sell your home without a Real Estate Agent? Here are a few recommendations on where to start. Remember, the more prepared you are for selling your home, the easier the process will be, and the greater your return will be.

- 1. If you still owe on the property, call your financial institution to get the payoff value of the loan. This tells you where you stand in terms of a required net return from the sale.
- 2. Contact a loan officer to become more familiar with the different types of loans. It is important to know this because the type of financing a prospective buyer may get can affect your situation as a seller.
- 3. Call an accountant and make sure you have a complete understanding of how the sale of your home will affect your tax situation.
- 4. Call your local Register of Deeds and make sure there aren't any outstanding liens or judgments on your property that will affect the sale of your home.
- 5. Contact your City or Township office to make sure there aren't any requirements that must be met before selling your home. For example, Bloomfield Township requires all homes to have a septic examination before a home is purchased. If the City or Township requirements are not met, the sale for the house will not close.
- 6. If you plan on hiring an attorney, make sure you understand how they bill for their services. See if they will provide a list of all of their billing rates. They typically charge an hourly fee, a document preparation fee, charge per copy, for postage, and other fees related to administrative duties. This can become quite costly if a lot of addendums and contract changes need to be made. What is the retainer? How much time will that cover? What is the attorney's hourly fee after the retainer is exhausted? Do you have to pay the attorney fee if the buyer backs out of the deal for some reason (typically reasons related to financing)?
- 7. Make sure your home is ready for showings. Be prepared to make a great first impression. See the attached Checklist for an idea of where to start.
- 8. Make a list of seller disclosures and have this ready for any prospective buyers. Here are a few examples of things you must disclose: your basement tends to get wet during the spring, you know there are two bad windows, there is an obnoxious dog that barks at night on the next street over, the house has had a past problem with termites, there has been a recent death in the house, the house is located in an area that Comcast or some other popular service provider does not service. Regardless of how minor and insignificant it seems to you, disclose it. If you are aware of conditions that could be considered undesirable and you do not disclose, you could be sued if the buyer decides they would not have bought the house if they had known about the issues prior to purchasing the home. Keep in mind that an appraiser may require some repairs be made before the sale is completed. Also, if your house was built before 1978, you are required to disclose whether or not you have knowledge of any lead based paint, or lead based paint hazards in or on the property.
- 9. Along with a list of disclosures (if any), make a detailed list of exclusions. This would include the refrigerator, washer, dryer, gazebo, trellis, dock, or anything else you don't want to stay with the house. If the final contract does not have exclusions in it, you can get in trouble for taking things from the home. It is best to get this ready so you don't accidentally overlook it during the negotiating process.
- 10. If you are planning on offering your home for sale on a land contract, make sure you know the laws. Research the most recent changes in legislature that affect land contracts. The Dodd Frank Law has made some recent changes that drastically changed the desirability of land contract for sellers because it has added increased risk.

Establishing the Listing Price

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

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

The condition of your home plays a big roll on the price as well. If there are several minor things that need to be repaired, expect lower offers. If you want to maximize your selling potential, address as many minor repairs as needed. If there are larger repairs that could be made, such as windows, a leak in the roof, problems with the central air, or sump pump problems, fix what you can. Any offer you receive will more than likely be contingent on inspection and the potential buyers will more than likely ask for a price reduction or repair if it is significant. Keep in mind that making some repairs might be require by the appraiser prior to closing. Not sure where to start? Refer to the attached checklist.

Flyers

If you are having an open house, drop flyers off to everyone in your neighborhood. Let them know that you have a home for sale and are inviting, along with people they may know who may be interested in moving to the area. Word of mouth is free advertising. Use it to your advantage.

Have this flyer available for prospective buyers to take from the showing or open house. Make sure it has plenty of pictures and information about the home so they have it as a reminder. Remember, if you are dealing with a serious buyer, they will be looking at several houses before making a decision.

Make sure the flyer for your house stands out. Don't forget to put your contact information on the flyer incase the prospective buyers want to offer. See the attached flyer I have used in the past so sell homes in Oakland County. I have included this as a sample, so feel free to mimic it if you so choose.

Since you are not able to have a QR code on you sign for prospects to scan with their phones, it would be a good idea to put a "Take One" box or "Info Tube" on the sign in your yard. This allows for passersby to get information on the house immediately. Just make sure you frequently check the box or tube to make sure it is not empty.



Advertise!

The success of the sale of your home depends largely upon the way you advertise. Your "For Sale" sign should be clear, easy to read and in plain sight of passersby. Placing directional signs in high traffic areas could be helpful too, just make sure you have the permission of your neighbors before you place the signs in their yard.

Advertising is necessary. You will not be able to sell your home relying solely on a sign. Placing ads in the Oakland Press, Spinal Column, mLive.com or Craigslist.com will help. There are also several FSBO websites available for advertising. Try Zillow.com and Trulia.com as well. Make sure the site that you choose has multiple listings from your area so you can maximize the number of views your ad will receive.

Safety!!!

Most importantly, BE SAFE! Put all of your valuables in a safe, secure place. Hide extra house keys. NEVER show the house alone. Have your spouse, brother, father, other family member, neighbor or friend there with you. Send your children to a friend or family member's house. Remember that unsuspecting real estate agents and homeowners can be easy targets for people with ill intentions, so be vigilant and take any possible precautions you can think of.

Showings and Open Houses

Before you show your home, make sure you create an inviting atmosphere. Turn on all of the lights, keep all of the interior doors open, and open blinds or curtains. Have your children at a neighbor's house, friend's house or with family so they are not distracting the buyers. Also, make sure pets are secure and not creating a nuisance with excessive noise. Some people are afraid of dogs and allergic to cats. Keep this in mind when showing your home.

Cleanliness is of utmost importance and so is the lack of clutter. The smell of your home can be very important too. Make sure litter boxes are clean and the trash has been taken out. Get some potpourri or a nice smelling candle. Make sure it is not too strong and it is a light and pleasant scent. The smell of fresh baked bread or cookies can definitely help too.

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

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

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

Negotiating Terms and Price

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

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

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

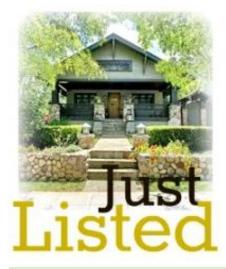


Title Insurance

There are two types of title insurance policies that may be purchased at the time a property changes from one owner to another—an owner's policy and a lender's policy. Both the owner's policy and the lender's policy protect the named insured against an unknown defect in the title of property. A defect in the title could be a construction lien against the property, an unknown or missing heir to the property, forgeries, and errors or omissions in deeds.

For more information, see the enclosed sheet on Title Insurance from:

Department of Insurance and Financial Services PO Box 30220 Lansing, MI 48909-7720



To List, or Not to List?

People sell their homes on their own all the time, but there is a clear difference between FSBO and using a Realtor. The majority of buyers tend to use a Realtor rather than deal with a FSBO because it does not cost them anything extra. Realtors can reach a larger audience of buyers, and due to their professional network, homes listed with a Realtor tend to get more showings, receive more offers and sell much quicker. Also, with the current market conditions, homes listed with an agent have been

selling for more than the asking price. If you run into difficulties selling your home on your own, or if you simply decide you don't want to make the time, or deal with the hassle of selling on your own, hiring a Realtor might be your best bet. If you decide to list with a Realtor, make sure they are a member of NAR (National Association of Realtors). Also make sure they can use the MLS (Multiple Listing Service). Their Michigan real estate license must be active too.

If you decide to list with a real estate agent, make sure they keep in contact with you. You need someone who values your business and can prove it with the level of service they provide. Don't pick someone who will list you, then leave you! Ask for testimonials from previous clients!

When You Buy...

You can have a Realtor work exclusively for you when buying a home. Having expert representation is just as important to buyers as it is to sellers. A Realtor can represent you, and your best interest at no cost. Keep in mind, some agents charge a fee to represent you, so ask for clarification before you sign anything.

As Your Listing Agent, I Will...

- 1. Assist you in setting a competitive sales price according to the fair market value of your home
- 2. Offer suggestions on how you can make your home more appealing
- 3. Provide and pay for all advertising with no additional cost to you
- 4. Develop flyers and information sheets and distribute them to buyers and fellow agents
- 5. Provide you with qualified buyers someone with the actual resources to buy, not just "tire kickers"
- 6. Show your home during regular business hours, in the evening and on weekends even when you can't
- 7. Prepare for, and conduct all open houses
- 8. Handle all communications between you and any prospective buyer
- 9. Help negotiate the terms and price, and help you determine what your total net proceeds will be
- 10. Arrange for all quotes or additional foot work that is needed for negotiating purposes
- 11. Consult with you on financing options you might want to offer a potential buyer
- 12. Arrange for the appraisal, survey, and any inspections needed
- 13. Handle all of the paperwork –purchase agreements, addendums, disclosures, closing documents, etc.
- 14. Assist in the closing of the transaction as your representative
- 15. To sum it up; I will handle just about everything related to selling your home.

What Makes Me Unique...

Honesty – The entire time I work with you on buying or selling your home, I will be upfront and honest with no hidden agenda. Don't believe me? Ask for a recommendation from previous clients!

Work Ethic – Selling a home has a huge impact on your life so I work very hard at giving each client exceptional service. I will help you through the entire process and will never leave you wondering what is happening with the deal. **Passion** – I have a strong passion for working with my clients and getting them the best deal. I enjoy the process from beginning to end. I strive to serve my clients in the most effective and proficient way possible!

Strong Negotiation Skills – I don't just relay messages between the buying and selling side of the deal. I will diligently work at achieving the best possible price and terms that meet your needs!

Expert Knowledge – Put my experience to the test! There will be no guess work for you! I have a complete understanding of all the paperwork and possible complications that could pop up when buying or selling a home. My job is to help you make the best and most informed decisions possible!

What My Clients Have to Say...

As a first time home buyer, I was excited and nervous about the whole process of finding a home. I decided I wanted to go without an agent, as I thought it would help in the bargaining process (no split commission between agents). We had viewed several homes prior to contacting Lawrence Klavitter to view a home his agency had listed. When we met with him at that location, I was impressed with his professionalism and honesty. We loved that house, but it would've needed quite a bit of work prior to mortgage approval. Mr. Klavitter went through the list of all the items he saw that would've had to been addressed prior to a FHA approval, and the list was lengthy. On top of the FHA issues, we were really concerned as to how all those items could be addressed with our busy lives. After this initial meeting, we were so blown away by him, we decided we would ask him to represent us (and we met many agents prior to this date).

Well, we didn't end up with that first house. Within a very short period of time, we found a beautiful home that was completely move in ready. Mr. Klavitter was wonderful in the negotiation process, as well as providing me with answers to every question I had during the entire process (and there were many). I couldn't say enough wonderful things about him and how he went out of his way to calm a very nervous home buyer. If you need an agent, please contact him. He will go above and beyond to help you with the entire process.

Thank you, Shelly Loiselle (closed 2013)



Testimony

Larry is the kind of Realtor
that really listens to what you
want/need in a property. He
has the dedication to dig
deep into the market and
look for the perfect house. His
experience shines in the way
he effectively handles the
involved parties at the closing
to make sure things go
smooth for you. Overall Larry
is a great person to work
with, and I recommend him
all the time.

Ernesto Villareal

(Closed in early 2014 and currently working with Lawrence again)



Lawrence Klavitter

Keller Williams Realty 2730 Union Lake Rd. Commerce, MI 48382 Office: (248) 406-2946 Cell: (248) 935-7959 LarryKlavitter@kw.com

Find me on the Web: MiciganPreferredHomes.com May 23, 2014

Keller Williams Realty Commerce 2730 Union Lake Road Commerce Michigan, 48382

To Whom It May Concern; Re: Mr. Lawrence Klaviter

Ms. Kubinski and I have had Mr. Klaviter as our real estate agent on two of our Michigan properties and have been extremely satisfied with his performance. He has gone out of his way to help us out as we are absentee landlords and home sellers. This makes things very difficult, but Mr. Klaviter has stepped up to the plate and with his creativeness and abilities as a real estate agent has successfully negotiated both rental terms and sales agreements on the aforementioned properties.

We would highly recommend his services to anyone interested in buying, selling, or renting properties in the greater Detroit area.

Sincerely,

Linda K. Kulunski
Linda Kubinski

Art Williams

Mountain Home, Arkansas



