

Smart Moves When Selling Your Home “By Owner”

Build a Marketing Strategy

Let’s start at the beginning: How are you going to get the word to potential buyers that you want to sell your house? Survey your resources for spreading the word, and decide which ones work for you. For Sale By Owner web sites, signs in your yard, flyers at the local coffee shop—these are all options. Most home buyers look on the Internet for new homes, so your plan absolutely need to include a presence on the most popular sites.

Know your home's strengths and weaknesses

The last thing you want is to scare off a Buyer because some unknown flaw is discovered at inspection. Take an objective look at your home—hire a pro if you need to—so you can identify problems that are almost certain to be discovered later, and have time to fix them. Even if you can’t fix them, you can incorporate the knowledge of any problems into your pricing and include these items on the *Residential Sales Disclosure Form*—a form you must provide to buyers. Expect your buyer will have their own independent inspection. Their own inspection will give them confidence in your home and protect you from liability. If you encourage them to get it inspected, your openness about the home and concern for them in the transaction can engender a buyers trust and confidence.

Start—or finish—those home improvements

Once you've had an inspection done, you can start on home improvements that will increase your chances of selling at a higher price. If you’ve already started some projects around the house, you’ll need to get those all wrapped up. Just because you are willing to live with an unfinished patch job, or peeling wall paper, doesn’t mean a buyer will appreciate your home’s “character.”

The first thing potential buyers will see is the outside of your house. It can be a huge factor in whether they actually want to see the inside or keep on driving. Do a thorough yard cleanup, trim bushes and hedges, keep the grass cut or snow shoveled. Other relatively inexpensive improvements include painting, decluttering rooms, cleaning or replacing soiled carpets.

Why would a couple of REALTORS offer you tips on selling your home “by owner”?

The short answer is: whether you work with us, or go it alone, we want you to be successful. For Sale By Owner is not for everyone, but if it is for you, we’re willing to help. And, if you have a question along the way, give us a call. We’re not going “to pitch” our services; we’re happy to share ideas and make referrals. But, if you eventually decide the FSBO process is not right for you, we’d like the chance to be your real estate agent—your *SuperAgentIndy!*

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Pull together your team

You may not have a real estate agent in your corner, but you'll still need a supporting cast. A real estate attorney is perhaps most important, especially in the closing process. You'll also need a title company to handle the preliminary title search to identify liens and encumbrances, and they'll usually handle the closing to make sure everyone is paid and all liens are released. You may need a survey done, if you

didn't get one when you bought the house, to be sure there are no encroachments or if your lot lines are not obvious. For certain repairs and improvements in your home, you may need licensed professional tradesmen. They can cost more than a handyman but may offer guarantees that a handyman. In real estate contracts, buyers often specify that licensed tradesmen correct inspection items.

Four Kinds of Buyers:

Lookie-Lou's—These buyers want the perfect house at 20% below market price and they'll look 'til they find because they aren't ready to move anyway.

Not Qualified (But Don't Know It)-- For obvious reasons, you don't want to waste your time with these folks.

Decorators in Training—These buyers *love* HGTV and they just *love* looking at houses, including yours!

Those Who NEED to Move—for job or family reasons, these folks need to find a new place to live and are qualified.

Straight Talk Time: the reality is, 99% of committed buyers use REALTORS because an agent will make the process easier, protect their interest and provide valuable information to inform their purchase. Are you giving them an advantage in negotiation by not having representation?

Make Sure the Price is Right!

We can't stress enough how important this is. If you ask too much, no one will come looking. If you ask too little, you're leaving money on the table. But the right price has nothing to do with what you paid for your home, what you put into improvements, or what you need to get at closing.

The right price is set by the market—what a willing buyer will pay a willing seller. There's no room for wishful thinking about how much you can get for your home. We always start the process of selling a home with an objective assessment of market conditions and will give our clients reasoned opinion, but the seller still gets to set that price.

Put your best foot forward—photography and staging

After pricing your home, the next most important step is getting good quality photos of your home that will highlight the features and invite buyers to come see more. We always invest in professional quality photography with

wide-angle lenses and even video to help “sell the sizzle” in your house. Many buyers will make instant decisions about your house based on the photos. Which also means that what you are photographing must also be appealing. This is the idea behind “staging” your home. Staging your home is a process of removing distractions and clutter so the buyer can see themselves in your home. You don't have to take all the personality out, but leave enough “space” for the buyer to imagine the home as theirs. And before every showing, you must clean the kitchen, make the beds and put away all the clothes. Don't take the chance of letting “a mess” put off a buyer that may otherwise love your house.

Key Points of Real Estate Law....

We can't offer legal advice, but these are some areas of law where you need to clearly understand your rights and obligations. If you don't, we urge you to consult a real estate professional.

- Elements that make a contract valid
- Enforceability of verbal agreements
- Seller's obligation to disclosure the condition and prior events on the property
- Fair Housing Law and non-discrimination
- Proper handling of earnest money
- Warranty Deed v. all other deed types
- Marketable title and title insurance
- Encroachments, easements, covenants and restrictions

And, Avoid These Common Mistakes

Don't Overprice Your Home

FSBO sellers often overprice their home. Like most homeowners, FSBO sellers honestly believe their own home is worth more than comparable homes in the same neighborhood. Often, they're wrong. A real estate agent can review data on current market conditions, give an objective assessment your home's condition relative to other properties and share tips for improving the home's buyer appeal. If you aren't using a Realtor, find another reliable source.

Don't Assume Buyers Will Overlook Flaws

You've lived with that unfinished drywall patch in the kitchen and broken towel bar in the bathroom for years, and it hasn't bothered you. We understand, we've done the same. But you shouldn't assume a buyer will make the same allowance for *your* wear and tear on what could be *their* brand new home. So, here again you have to look at your home through the buyers eyes and take care of all those little flaws that can detract from your home's appeal. Also, you might get some online or printed resources on staging your home for maximum appeal.

Don't Make It Hard To See Your Home

Buyers want to see a home that caught their eye when they want to see it—and sometimes that means 'right away'! They aren't always sensitive to the inconvenience it causes to quickly pick-up the house and round up the kids and pets and make the house presentable. On the other hand, you want and need them to see the home, so you have to make allowances. When it comes to showings, be clear in your mind when and under what conditions you will show the home. And while you should be as flexible as you can, you don't have to drop everything when some calls off your sign. If they are serious buyers and they really like the curb appeal, they'll work with you to find a mutually convenient time. It can also be helpful to set multiple "open times" such as 5-7 on a weekday, or a weekend afternoon, and invite prospective buyers to come during those times.

Don't Hover When You Buyers Walk-through

When potential buyers are in your home, you should not hover or talk too much. Buyers need space to imagine it being *their* home. More than likely, you will need to be there for showings and talking can be irresistible. Even if you sell for a living and know better, it is just so tempting to point out everything that is great about your house. At the same time, if they offer critiques of your home, or say "we'll just have to change *that!*" try not to take it personally. They are just thinking about how they'll make the house their home. Or, perhaps they're setting up a point for later negotiations.

Questions to Ask Buyers Before

Showing Your Home:

While you have them on the phone, transition the conversation by saying, "If I've answered all your questions, would you mind if I asked you a few before we schedule that showing?"

- My name is *N*. What's yours?
- When are you hoping to move?
- What do you like about this area?
- Do you have friends living nearby?
- Have you been looking for a while?
- Where do you work and what do you do there?
- Are you working with a buyer's agent or do you have a real estate attorney advising you?
- Do you have to sell a home or finish a lease before you move?
- Have you been pre-qualified for a loan or will you be paying cash? Will you bring a copy of that loan approval to the showing?

It doesn't hurt to add, "I appreciate you answering these questions. I'm just trying to safe and prefer to show the home to serious buyers. I'm sure you understand, one can't be too careful."

Don't Ignore Common Sense Safety

Be safe about when and to whom you open your home. After answering a caller's questions, spend a little time talking to callers before agreeing to show them your home, and ask some probing questions. If they have a Buyer's Agent, that can be a good thing because it often indicates seriousness on their part. If they aren't, ask why not—it's free to them, after all. If any of their answers don't sound right, direct them to an open house time, or ask for a number at which you can call them back to confirm the time, or simply say, “This is not a good time.” When declining showings you have be mindful of Fair Housing Laws, but if you have legitimate reservations, it is better to be safe.

Don't Write Off A Buyer's Agent

You may be comfortable going through this process on your own, but it would be wrong to assume your buyers are equally comfortable without representation. So, be upfront about how you will work with Buyer's Agents. Paying half the normal commission will cut your “savings,” but it may greatly increase your buyer pool. Even if you offer a buyer's agent, some agents won't go through a transaction with a self-represented seller. However, if you respect their role and have done your homework, most will be happy to do their part in closing the sale. You should, however, expect—even ask for—a compensation agreement from a buyer's agent be submitted with the contract. This document will be a binding part of the contract and will be given to the title company so they can pay the buyer's agent at closing.

Don't Ignore The Law

While saving money by not having to pay a real estate commission is enticing, you should also consider the cost of legal fees that might arise from failing to know what is legally required as part of a real estate transaction. Not trying to scare you here, but a lot of money is on the line for you and for the buyers. Real estate transactions are fraught with potential liability for unwary sellers, particularly when it comes to disclosure issues. A FSBO who overlooks even one required form or legally mandated disclosure could face a protracted and expensive lawsuit after the transaction closes, or even before it closes. If you aren't using a Realtor, and you aren't well-versed in real estate law, you need a lawyer to advise you.

On your own doesn't have to mean...*alone!*

We hope this free report helps you get ready to sell your home “by owner.” If you have any questions along the way—big or small—we want you to know you can call us for some straight talk with no sales pitch and no-obligation. Just helpful knowledge and insights. ---- Leyton & William 317-572-8212



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