

SELLERS'S RESOURCE GUIDE TO SELLING YOUR HOME



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10 Questions to Ask Your Realtor about Selling a House

1. Are you a full-time professional real estate agent? How long have you worked full time in real estate? How long have you been representing buyers? What professional designations do you have?

Knowing whether or not your agent practices full time can help you determine potential scheduling conflicts and his or her commitment to your transaction. As with any profession, the number of years a person has been in the business does not necessarily reflect the level of service you can expect, but it is a good starting point for your discussion. The same issue can apply to professional designations.

2. Do you have a personal assistant, team or staff to handle different parts of the purchase? What are their names and how will each of them help me in my transaction? How do I communicate with them?

It is not uncommon for agents who sell a lot of houses to hire people to work with them. As their businesses grow, they must be able to deliver the same or higher quality service to more people.

You may want to know who on the team will take part in your transaction, and what role each person will play. You may even want to meet the other team members before you decide to work with the team. If you have a question about fees on your closing statement, who would handle that? Who will show up to your closing?

3. Do you have a Website that will list my home? Can I have your URL address? Who responds to emails and how quickly? What's your email address?

Many buyers prefer to search online for homes because it's available 24 hours a day and can be done at home. So you want to make sure your home is listed online, either on the agent's Website or on their company's site. By searching your agent's Website you will get a clear picture of how much information is available online.

4. How will you keep in contact with me during the selling process, and how often?

Some agents may email, fax or call you daily to tell you that visitors have toured your home, while others will keep in touch weekly. Asking this question can help you to reconcile your needs with your agent's systems.

5. What do you do that other agents don't that ensures I'm getting top dollar for my home? What is your average market time versus other agents' average market time?

Marketing skills are learned, and sometimes a real estate professional's unique method of research and delivery make the difference between whether or not a home sells quickly. For example, an agent might research the demographics of your neighborhood and present you a target market list for direct marketing purposes.

6. Will you give me names of past clients?

Interviewing an agent can be similar to interviewing someone to work in your office. Contacting references can be a reliable way for you to understand how he or she works, and whether or not this style is compatible with your own.

7. Do you have a performance guarantee? If I am not satisfied with your performance, can I terminate our listing agreement?

In the heavily regulated world of real estate, it can be difficult for an agent to offer a performance guarantee. If your agent does not have a guarantee, it does not mean they are not committed to high standards. Typically, he or she will verbally outline what you can expect from their performance. Keller Williams? Realty understands the importance of win-win business relationships: the agent does not benefit if the client does not also benefit.

8. How will you get paid? How are your fees structured? May I have that in writing?

In many areas, the seller pays all agent commissions. Sometimes, agents will have other small fees, such as administrative or special service fees, that are charged to clients, regardless of whether they are buying or selling. Be aware of the big picture before you sign any agreements. Ask for an estimate of costs from any agent you contemplate employing.

9. How would you develop pricing strategies for our home?

Although location and condition affect the selling process, price is the primary factor in determining if a home sells quickly, or at all. Access to current property information is essential, and sometimes a pre-appraisal will help. Ask your agent how they created the market analysis, and whether your agent included For Sale by Owner homes, foreclosed homes and bank-owned sales in that list.

10. What will you do to sell my home? Who determines where and when my home is marketed/ promoted? Who pays for your advertising?

Ask your real estate agent to present to you a clear plan of how marketing and advertising dollars will be spent. If there are other forms of marketing available but not specified in the plan ask who pays for those. Request samples or case studies of the types of marketing strategies that your agent proposes (such as Internet Websites, print magazines, open houses, and local publications).

Practicing good seller's etiquette

Let's face it: When your house goes on the market, you're not only opening the door to prospective buyers, but also sometimes to unknown vendors and naive or unqualified buyers. As with any business transaction, there is an expected protocol to how sellers, buyers and their respective agents interact. Should you find yourself in a sticky situation, alert your agent so he or she can address and remedy the problem.

The aggressive agent

When your agent puts your house on the market, typically all promotional materials state clearly that your agent is the primary contact for buyers and buyers' agents. However, sometimes a buyer's agent will contact a seller directly to try to either win over their business or cut the seller's agent out of the deal. This is not reputable behavior and you should report it to your agent immediately if it happens to you.

The unscrupulous vendor

Have you ever started a business or moved into a new house and suddenly found your mailbox full of junk mail? Unfortunately, this also can happen when you put your house on the market. When you sell your home, it necessitates all kinds of new purchasing decisions and less-than-ethical vendors are keenly aware of this. Though MLS organizations enforce rules on how posted information is used, some companies have found ways to cull information from various sources to produce mass mailing lists. If you find yourself regularly emptying your mailbox of junk, let your agent know. He or she can tap the appropriate sources to prompt an investigation into the matter.

The naive buyer

Yard signs, Internet listings and other advertisements can generate a lot of buzz for your home. Some prospective buyers - particularly first-timers - will be so buzzed to see your home that they'll simply drop by. If this happens, no matter how nice these unexpected visitors are, it's best not to humor their enthusiasm by discussing your home or giving an impromptu tour. Instead, politely let them know that your real estate agent is in charge of scheduling tours and provide them with the agent's contact information. If you attempt to handle these surprise visits on your own, you might inadvertently disclose information that could hurt you during negotiations down the road.

Increasing your home's appeal

Remember the 60-second rule: That's all the time you have to create a winning first impression. Here are some simple to significant ways to maximize your home's appeal.

Exterior

- * Keep the grass cut and remove all yard clutter.
- * Weed and apply fresh mulch to flower beds.
- * Apply fresh paint to wooden fences.
- * Tighten and clean all door handles.
- * Clean windows inside and out.
- * Power wash home's exterior.
- * Ensure all gutters and downspouts are firmly attached and functioning.
- * Paint the front door.
- * Buy a new welcome mat.
- * Place potted flowers near the front door.

Interior

- * Evaluate the furniture in each room and remove anything that interrupts "the flow" or makes the room appear smaller. Consider renting a storage unit to move items off-site.
- * Clean and organize cabinets, closets and bookshelves.
- * Clean all light fixtures and ceiling fans.
- * Shampoo carpets.
- * Remove excessive wall hangings and knick-knacks.
- * Repair all plumbing leaks, including faucets and drain traps.
- * Make minor repairs (torn screens, sticking doors, cracked caulking).
- * Clean or paint walls and ceilings.
- * Replace worn cabinet and door knobs.
- * Fix or replace discolored grout.
- * Replace broken tiles.
- * Replace worn countertops.

Special details for showings

- * Turn on all the lights.
- * Open all drapes and shutters in the daytime.
- * Keep pets secured outdoors.
- * Buy new towels for bathrooms.
- * Buy new bedding for bedrooms.
- * Replace old lamps or lampshades.
- * Play quiet background music.
- * Light the fireplace or clean out the ashes and light a candelabrum.
- * Infuse home with a comforting scent, such as apple spice or vanilla.
- * Set the dining room table for a fancy dinner party.
- * Vacate the property while it is being shown.

Eight steps to selling your home

1. Define your needs. Write down all the reasons for selling your home. Ask yourself, "Why do I want to sell and what do I expect to accomplish with the sale?" For example, a growing family may prompt your need for a larger home, or a job opportunity in another city may necessitate a move. For your goals, write down if you'd like to sell your house within a certain time frame or make a particular profit margin. Work with your real estate agent to map out the best path to achieve your objectives and set a realistic time frame for the sale.
2. Name your price. Your next objective should be to determine the best possible selling price for your house. Setting a fair asking price from the outset will generate the most activity from other real estate agents and buyers. You will need to take into account the condition of your home, what comparable homes in your neighborhood are selling for, and state of the overall market in your area. It's often difficult to remain unbiased when putting a price on your home, so your real estate agent's expertise is invaluable at this step. Your agent will know what comparable homes are selling for in your neighborhood and the average time those homes are sitting on the market. If you want a truly objective opinion about the price of your home, you could have an appraisal done. This typically costs a few hundred dollars. Remember: You're always better off setting a fair market value price than setting your price too high. Studies show that homes priced higher than 3 percent of their market value take longer to sell. If your home sits on the market for too long, potential buyers may think there is something wrong with the property. Often, when this happens, the seller has to drop the price below market value to compete with newer, reasonably priced listings.
3. Prepare your home. Most of us don't keep our homes in "showroom" condition. We tend to overlook piles of boxes in the garage, broken porch lights, and doors or windows that stick. It's time to break out of that owner's mindset and get your house in tip-top shape. The condition of your home will affect how quickly it sells and the price the buyer is willing to offer. First impressions are the most important. Your real estate agent can help you take a fresh look at your home and suggest ways to stage it and make it more appealing to buyers. * A home with too much "personality" is harder to sell. Removing family photos, mementos and personalized decor will help buyers visualize the home as theirs. * Make minor repairs and replacements. Small defects, such as a leaky faucet, a torn screen or a worn doormat, can ruin the buyer's first impression. * Clutter is a big no-no when showing your home to potential buyers. Make sure you have

removed all knick-knacks from your shelves and cleared all your bathroom and kitchen counters to make every area seem as spacious as possible.

4. Get the word out. Now that you're ready to sell, your real estate agent will set up a marketing strategy specifically for your home. There are many ways to get the word out, including: * The Internet * Yard signs * Open houses * Media advertising * Agent-to-agent referrals * Direct mail marketing campaigns In addition to listing your home on the MLS, your agent will use a combination of these tactics to bring the most qualified buyers to your home. Your agent should structure the marketing plan so that the first three to six weeks are the busiest.
5. Receive an offer. When you receive a written offer from a potential buyer, your real estate agent will first find out whether or not the individual is prequalified or preapproved to buy your home. If so, then you and your agent will review the proposed contract, taking care to understand what is required of both parties to execute the transaction. The contract, though not limited to this list, should include the following: * Legal description of the property * Offer price * Down payment * Financing arrangements * List of fees and who will pay them * Deposit amount * Inspection rights and possible repair allowances * Method of conveying the title and who will handle the closing * Appliances and furnishings that will stay with the home * Settlement date * Contingencies At this point, you have three options: accept the contract as is, accept it with changes (a counteroffer), or reject it. Remember: Once both parties have signed a written offer, the document becomes legally binding. If you have any questions or concerns, be certain to address them with your real estate agent right away.
6. Negotiate to sell. Most offers to purchase your home will require some negotiating to come to a win-win agreement. Your real estate agent is well versed on the intricacies of the contracts used in your area and will protect your best interest throughout the bargaining. Your agent also knows what each contract clause means, what you will net from the sale and what areas are easiest to negotiate. Some negotiable items: * Price * Financing * Closing costs * Repairs * Appliances and fixtures * Landscaping * Painting * Move-in date Once both parties have agreed on the terms of the sale, your agent will prepare a contract.
7. Prepare to close. Once you accept an offer to sell your house, you will need to make a list of all the things you and your buyer must do before closing. The property may need to be formally appraised, surveyed, inspected or repaired. Your real estate agent can spearhead the effort and serve as your advocate when dealing with the buyer's agent and service

providers. Depending on the written contract, you may pay for all, some or none of these items. If each procedure returns acceptable results as defined by the contract, then the sale may continue. If there are problems with the home, the terms set forth in the contract will dictate your next step. You or the buyer may decide to walk away, open a new round of negotiations or proceed to closing. Important reminder: A few days before the closing, you will want to contact the entity that is closing the transaction and make sure the necessary documents will be ready to sign on the appropriate date. Also, begin to make arrangements for your upcoming move if you have not done so.

8. Close the deal. "Closing" refers to the meeting where ownership of the property is legally transferred to the buyer. Your agent will be present during the closing to guide you through the process and make sure everything goes as planned. By being present during the closing, he or she can mediate any last-minute issues that may arise. In some states, an attorney is required and you may wish to have one present. After the closing, you should make a "to do" list for turning the property over to the new owners. Here is a checklist to get you started. * Cancel electricity, gas, lawn care, cable and other routine services. * If the new owner is retaining any of the services, change the name on the account. * Gather owner's manuals and warranties for all conveying appliances.

How to price to sell and still make a profit

The asking price you set for your home significantly affects whether you will profit in the sale, how much you will profit and how long your home will sit on the market. Your real estate agent's knowledge of the overall market and what's selling - or not selling - will be invaluable in helping you determine the price. The objective is to find a price that the market will bear but won't leave money on the table.

Here are some points to consider: Time. Time is not on your side when it comes to real estate. Although many factors influence the outcome, perhaps time is the biggest determinant in whether or not you see a profit and how much you profit. Studies show that the longer a house stays on the market, the less likely it is to sell for the original asking price. Therefore, if your goal is to make money, think about a price that will encourage buyer activity (read: fair market value).

Value vs. Cost. Pricing your home to sell in a timely fashion requires some objectivity. It's important that you not confuse value with cost - in other words, how much you value your home versus what buyers are willing to pay for it. Don't place too much emphasis on home improvements when calculating your price, because buyers may not share

your taste. For instance, not everyone wants hardwood floors or granite countertops.

Keep it simple. Because time is of the essence, make it easy for the buyers. Remain flexible on when your agent can schedule showings. Also, avoid putting contingencies on the sale. Though a desirable move-in date makes for a smoother transition between homes, it could cause you to lose the sale altogether.

Understanding the buyer

As the seller, you can control three factors that will affect the sale of your home:

- * The home's condition
- * Asking price
- * Marketing strategy

However, it's important to note that there are numerous other factors that influence a buyer, and you need to understand these consumer trends when you enter the sellers' market. The more your home matches these qualifications, the more competitive it will be in the marketplace. Your real estate agent can advise you on how to best position and market your home to overcome any perceived downsides.

Location

Unfortunately, the most influential factor in determining your home's appeal to buyers is something you can't control: its location. According to the National Association of REALTORS(r), neighborhood quality is the No. 1 reason buyers choose certain homes. The second most influential factor is commute times to work and school.

Size

While some buyers want to simplify their lives and downsize to a smaller home, home sizes in general have continued to increase over the decades, nearly doubling in size since the 1950s. Smaller homes typically appeal to first-time home buyers and "empty nesters," or couples whose children have grown up and moved out.

Amenities

Preferences in floor plans and amenities go in and out of fashion, and your real estate agent can inform you of the "hot ticket" items that are selling homes in your market. If your home lacks certain features, you can renovate to increase its appeal, but be forewarned: That's not always the right move. Using market conditions and activity in your neighborhood as a gauge, your agent can help you determine whether the investment is likely to help or hinder your profit margin and time on the market.