



ByOwnerColorado.net

Home Selling Guide

Welcome to the ByOwnerColorado.net **FREE** Home Selling Guide. The information contained here will give you the knowledge to gain control over the equity in your home. Step by step instructions and guidance are given so you can effectively market and **SELL** your property without the assistance or cost of a Real Estate Broker! Here are highlights of the items covered:

- Preparing your home to sell!
- Pricing your home to maximize return!
- Marketing your home!
- Financing the purchase!
- Negotiating the sale!
- All the paperwork to complete the sale!
- Other service providers involved with the sale!
- Closing the Sale!



Step 1 – Preparing For the Sale

In preparation to sell your home by owner, two separate items need to be addressed. First, you need to make your home a show place. And second, you need to be prepared to negotiate, facilitate, and finalize the transaction with any perspective buyers.

Making your home a show place: Remember, first impression is the lasting impression when it comes to buyer's making purchasing decisions. If the buyer drives by and the outside of your home looks as if it has not been well cared for, you probably won't even get a call to see the interior. Buyer's are looking for reasons to "Say No" and eliminate possible properties. Your job here is to not give them that opportunity. The following are some items you may want to consider to get "Top Dollar" for your home.

Curb Appeal:

- Cut Lawn
- Trim Shrubs
- Weed and Edge Gardens
- Pick-Up all Debris
- Clean Walk and Driveway
- Repair Gutter & Eaves
- Touch-up Exterior Paint

General Maintenance:

- Oil Squeaky Doors
- Tighten Doorknobs
- Replace Light Bulbs
- Clean & Repair Windows
- Repair Cracks in Walls, etc.
- Touch-up Interior Paint
- Repair Leaking Plumbing Fixtures

Clean, Clean, Clean:

- Shampoo Carpets
- Clean Washer, Dryer & Tubs
- Clean Furnace
- Clean Refrigerator & Stove
- Clean & Freshen Bathrooms
- Clean all Windows & Mirrors
- You get the idea!

Atmosphere:

- Turn on ALL Lights
- Keep Pets Outdoors
- Open Drapes & Blinds
- Should Smell Fresh
- Put Valuables in Safe Place
- Be Welcoming During Showings.
Make the Buyer feel at Home!

First Impression:

- Clean & Tidy Entrance
- Functional Doorbell
- Polish Door Hardware
- Paint, Stain or Clean Front Door
- Leave Porch Light On

The Spacious Look:

- Clear Stairs & Halls
- Store Excess Furniture
- Clear Counters & Stove
- Thin & Tidy Closets
- Brighten Rooms

Being Prepared to Facilitate the Transaction: The key point to remember is, most buyers will have no idea on how to consummate the sale, and they will be looking to you for guidance. **What a great sales opportunity!** Communicating your knowledge and ability to proceed with all the contracts and disclosures etc., as well as, educating the buyer in their responsibilities, will give the purchaser the confidence to proceed with the sale. We have created a whole section on the “Process” in Step 6. **We also offer these closing services for an additional fee.**

Information Gathering: You cannot have too much information. Prospective buyers will want to know everything they can about your property. You need to be prepared to provide all the information they ask for, plus some they don't. This information includes, room and lot sizes, property tax amounts, local schools, proximity to parks, shopping and bus routes, average utility bills, type of heating and cooling systems, as well as, any other items that may effect the property. The ByOwnerColorado.net program includes a checklist to help gather this information.



Step 2 – Pricing Your Home to Sell

This may be the most important step in the sale. If you price your home too high you certainly will not attract as many interested buyers. And if you price your home too low, you will be giving away the hard earned equity you are trying to preserve. We recommend you determine a realistic range of price your home will likely sell for. Give yourself some negotiating room, but don't price your home so high it won't solicit any offers. Remember, everyone likes to win in a negotiation, so make sure you have some room to play the negotiation game, a few thousand dollars is usually plenty! So how do you arrive at a realistic asking price?

Research: This is the key to proper pricing! The most accurate indicator of value is the price that similar homes in your area have sold for. The more recent the sale, the better the estimate of value. Compile the list of recently sold homes from the sold data available through your county property assessor's office. Additionally, many real estate professionals market to neighborhoods via some sort of market value update. This update typically includes recent neighborhood sales. This will give you information for a chosen period of time and that data can then be analyzed to determine if the market is rising or declining. You can then compare your home to the ones that have sold and you will start to get a feeling for how much a buyer may be willing to pay for your home.

The next step of your research is to find out what the competition is. Drive around your subdivision, and those near you, looking for other for sale signs. Put together a list of the other homes available, the current prices, and compare them to yours. Analyze this list

and “slot” your home in below the homes that are bigger or in better condition, and above those that are not as desirable. This will give you another reasonable estimate of value.

A good suggestion is to hire an appraiser to give you an unbiased, third party, opinion of the value. The appraiser is experienced at home valuations and has access to historical data you might not be able to find. The appraiser price opinion is a great way to insure you don't leave any money on the table from your home sale! We have set up a special arrangement with an experienced, well qualified appraiser, who will give you a price opinion for a fraction of the cost of a full blown appraisal. You can visit the ByOwnerColorado.net online store to order your appraisal!

The final step is to compare the strategies. Are the price ranges you have come up with similar? If so, you have probably narrowed your pricing down pretty close. If there is a large difference between the recent sold property comparables, the Appraisal opinion, and the “slotting” among the current competition, you need to figure out why. Are the recent sold comparables accurate? Are the current competition homes sitting on the market for 60 or more days? Were there extenuating circumstances such as divorce or bankruptcy involved leading to a lower sales price?

The bottom line to pricing your home is as simple as asking yourself the question, “If I were buying a home in my area today, would my home be the best value on the market?” If you can answer yes to this question, you are on your way to a successful sale!



Step 3 – Marketing Your Home

This step is where ByOwnerColorado.net comes in. Our system is a complete marketing program designed to maximize the exposure your property will receive. Using many of the same “tricks of the trade” that real estate professional’s use, you will have the maximum opportunity to be successful in saving your equity dollars.

Key Targets for Marketing:

Internet: This is becoming the dominant starting point for homebuyers. It is estimated that over 80% of purchasers will start their house hunting online! Our prominence on major search engines will drive buyers to your property.

Drive By: Many purchasers drive neighborhoods looking for areas and subdivisions they may be interested in. It is very important to have a “For Sale” sign in your yard for prospective purchasers. This is an important marketing piece!

Publication Advertising: When advertising your home for sale, in newspapers or magazines, always use the ByOwnerColorado.net website address. Your property will have a unique URL that you can use for this (<http://byownercolorado.com/youraddress>) This allows any advertisement reader to know you are selling the home “By Owner” and gives them a 24 hour per day, 7 day per week method to get information and contact you.

Friends & Family: This is often the most overlooked pool of potential buyers. Make sure everyone you know is aware you are selling your home. Friends, family, neighbors, and co-workers are often a very good source of buyer leads. The ByOwnerColorado.net flyer, created when you use our system, is a great way to give these people information to pass along.



Step 4 – Financing for the Purchase

The financing for the purchase of your home is an area that is of crucial importance. Thorough knowledge about financing can make the difference between a sale and a big waste of time.

Is this my responsibility? Technically no, however, practically YES! If your potential buyer does not already have financing in place or if they are unsure as to the way to get a mortgage, you need to be prepared to step in and help. A thorough understanding of the necessary elements of home financing is very important. The good news is you do not have to be an expert! We recommend you establish a relationship with a lender whom you trust and are willing to work with. Mortgage companies will be happy to help you with any pre-qualification of potential buyers and can guide you as to the benefits of accepting different types of financing on your home. For example, if you accept an offer for a government insured loan, such as FHA or VA, there will be certain buyers closing costs you will be asked to pay for. Mortgage companies will do this free of charge! This is because the mortgage company will be making money on your transaction and likely will gain a number of high quality leads from active buyers that don't choose your home. ByOwnerColorado.net has established relationships with competitive and competent mortgage professionals and we recommend you contact them for help. Simply go to our affiliates page for this and other great resources.



Step 5 – Negotiating the Sale

Negotiation is a tricky process and can cost you \$1000's of dollars if not handled properly! Always be prepared to negotiate. Nobody likes to be taken advantage of and it is your job to make this feel like a Win-Win situation. This does not mean that you have to sell your home for less than what you are asking for! It does mean that in order to get your asking price you may have to concede on the time frame for closing, or throw in that old washer & dryer you wanted to replace anyway. Little items go a long way in the game of making this a Win-Win proposition.

Another item worth mentioning is to try and keep your emotions out of the negotiation. We know this is your home and you've loved it for all these years, but when something unfavorable is said about your property, often times it's a buying signal! That's right, buyers are looking for reasons to say no to spending this kind of money and when they object to something they may be looking for your re-assurance that a remedy is possible. For example, if a potential buyer mentions the carpeting (or anything else for that matter) doesn't suit their tastes, a quick response telling them the ease of changing that item may be enough to overcome their hesitation.



Step 6 – The Paperwork

There is LOTS of paperwork. Don't worry; we will walk you through the process, or for a little money **you can hire us to take care of it all!**

Every ByOwnerColorado.net customer receives a checklist that walks you through the process, as well as, provides a checklist of paperwork. From contracts to disclosures, you'll have what you need!



Step 7 – Other People Involved

There are many other people and firms involved with the sale and transfer of real estate. You will need to be familiar with their roles and the costs associated with them.

Appraiser: The appraiser is hired by the purchaser or the purchaser's lender, to give an impartial, third party opinion, as to the home's value. The lender then uses this in their decision on loaning money on the property. The appraisal costs between \$350-\$500 and is typically paid by the buyer.

Mortgage Broker or Banker: The mortgage broker or banker is the person responsible for getting the information to the mortgage bank in order for loan approval and funding to take place. Also referred to as a loan originator. Fees vary and are negotiable and are typically a buyer's cost.

Mortgage Bank: The entity that funds the home loan.

Home Inspector: Typically hired by the purchaser, the home inspector looks over the property for defects. The inspector goes over all the major systems of the property including, Heating, Cooling, Plumbing, Electrical, Roof and other structural items. Home inspectors also check appliances and other items that may effect a purchaser's decision. Some inspectors are also engineers, however, most are not. This means the inspector is usually not qualified to give opinions as to the structural integrity of the property. If the inspector is not an engineer and feels there may be structural issues, they will usually recommend an engineer be hired to give an opinion. The function of the home inspector is NOT to tell whether or not the home should be purchased, but to allow the buyer to make informed decisions on the purchase. Once the inspection is complete, the buyer may ask for repairs to be done or, for a cash settlement to cover the costs of these repairs. The seller is not obligated to do or pay for these repairs; however, the typical contract allows a purchaser to terminate the agreement if no solution can be negotiated.

Title Company: The contract usually stipulates that a Title Insurance policy be purchased for the benefit of the buyer. There are many local title companies that can issue such a policy. The title company can also hold the earnest money on behalf of the parties. The cost for the insurance policy is determined by the sales price of the home. This cost is almost always paid for by the seller, so check with title companies for quotes. ByOwnerColorado.net has relationships with Title Companies that know how to handle a For Sale By Owner transaction. Please feel free to visit them via the links on our site.

Closing Officer: The closing officer or “Closer” is typically an employee of the title company. They will handle all the paperwork necessary to transfer the property from seller to buyer and record the documents with the county. The cost for the closing services ranges from \$175-\$300 and is usually split equally between the buyer and seller.



Step 8 – The Closing!

The closing is the ultimate objective in the sales process, and should be the easiest piece of the transaction puzzle. This where buyer and seller sign all the documents to legally transfer the property from seller to buyer! By the time closing rolls around all the potential bumps in the road should have long been ironed out. This is a very exciting time and should be celebrated as such! The closing usually takes place at the office of your Title Company or Attorney, and should take no more than an hour. Congratulations!