

Sellers: Avoid These Costly Mistakes

Selling your home can be exhausting. Last minute walk-throughs, constant cleaning, inconvenient calls, price adjustments, and the possibility of being stuck with two mortgages are real concerns. If you are not completely prepared you could end up losing thousands of dollars in profit. Knowing these pitfalls can mean the difference between a profitable, smooth transaction and a miserable experience. By utilizing the knowledge of a good, qualified real estate professional, you'll ensure the profitable sale of your home. This report is designed to arm you with the knowledge to avoid 25 common mistakes that cost sellers serious money.

- 1. Taking Your Home's Curb appeal for Granted**
When you're preparing your house for sale, remember the importance of first impressions. A buyer's first impression can make or break whether they even want to go inside for a look. It is estimated that more than half of all houses are sold before the buyers even get out of their cars. With that in mind, be sure to stand outside of your home and take a realistic "fresh look" and then ask yourself what can be done to make the "curb appeal" improve. Also ask your Realtor's opinion as to how to improve the curb appeal. It could make a huge difference in your final sales price.
- 2. Thinking Your Home is the Best**
Your home is one of your most personal possessions. But features that are prized by you may be unimportant or even negatives to potential buyers. Don't be blind to flaws and needed cosmetic improvements. This will cause over-valuing of the home, hurting its chances to be sold.
- 3. Pricing Too High**
One critical reason to find the right professional is to make sure the property is priced appropriately for a timely and profitable sale. If the property is priced too high, it will sit and develop the stigma of a "tired listing". Also, you'll miss out on a percentage of buyers looking in the price range where your home should be. This is the flaw in thinking that "the buyer can always make a lower offer". Chances are the offers won't even come in, because the buyers who would be most interested in your home have been scared off by the price. By the time the price is reduced, you've already lost exposure to a large group of potential buyers.
- 4. Pricing Too Low**
If it's priced too low, it could cost you considerable profits. The listing price becomes even trickier to set when prices are quickly rising or falling. It's critical to be aware of where and how fast the market is moving - both when setting the price and when negotiating an offer. An experienced, well-trained agent is always in touch with market trends.
- 5. Waiting Until Spring...or Summer**
Don't believe property sales are seasonal...property is always selling. (And in the winter, when other sellers take their homes off the market, there is less competition for the winter buyers!). Your real estate agent continually follows trends of the housing market, just as a stockbroker who continually follows the trends of stocks. They will know if the market cycle is poised to net you the most money.

6. Testing The Market

Never put your property up for sale unless you are serious. The right professional will find you buyers and if you are harboring indecision... you will blow the sale. Agents won't be very anxious to bring their buyers to your house after that!

7. Not Updating a Tired, Old Look

Prospects make up their minds within the first few minutes. First impressions can make all the difference in selling your home. Spending \$5,000 on new carpet might add another \$10,000 to the price of your home, and help it sell faster. It usually costs you more money to sell "as is" than to make repairs that will increase the value of your home. Get an objective point of view from your agent. They can provide you with a list of items that will maximize the profitability of your home sale.

8. Refusing To Make Repairs

It always costs you more money to sell 'as is' than to make repairs that will increase the value of your home. Often even minor improvement will yield as much as three to five times the repair cost at the time of sale. Your agent will be able to point out what repairs will significantly increase the value of your home. Seemingly small fix-up jobs can have quite an impact.

9. Not Disclosing Property Flaws

California property disclosure laws require sellers to list any defects on a Transfer Disclosure Statement. If you are unaware of flaws, or worse, attempt to cover them up, you risk losing the sale and finding yourself in court. Get professional assistance from your agent, who can introduce you to qualified inspectors and inform you of which defects you are required to fix, and which you can simply disclose and sell "as is".

10. Not Doing Critical Inspections Before You Get an Offer

Will your septic tank need pumping? Has fungus damaged your deck joists so much that expensive repairs must be done before a pest clearance will be issued? Is the roof shot, or will it last another 5 years? Only professional inspectors can objectively and legally render such an opinion so that a buyer and their lender will accept it. These inspections are not expensive, but negotiating in the dark is. Buyers and their agents will be much more confident about offering on your home if the condition (and the estimated cost) is known up front.

11. Limiting Home Viewing

Accessibility is a major key to profitability. Buyers want to see a home on their own time schedule, not yours. "Appointment only" showings are the most restrictive, while a lockbox is the least. Have a lockbox on the house or a key with your agent so your home can be shown when you are not around. You never know if the one that couldn't get a viewing was the one that would have bought your home. The new "electronic keyboxes" allow your agent to know who showed your house and exactly what time too. Each keybox can be set to be accessible only during certain hours, too.

12. Wasting Time With An Unqualified Prospect

The person who wants a "lease-option" frequently has no down payment and doesn't know how to save it. The prospect who wants a "seller who will work with

us” and provide owner financing usually has poor credit and would be turned down by an institutional lender. Others have to sell their own property before they can buy yours. Your agent’s responsibility is to screen a prospect’s qualifications before valuable time is lost.

13. Thinking You Need to be Home to Point Things out to the Buyer

You will be better served if you allow the Realtors to do their job without you there during the first showing. Most potential buyers usually feel more comfortable if they can speak freely to the real estate professional without the owners being present. If people unaccompanied by an agent request to see your property, you should refer them to your real estate professional for an appointment.

14. Not Getting Exposure Through the Multiple Listing Service (MLS)

Some sellers are afraid of having strange agents in their home; others want to work only with their listing agent. The truth is that most properties are sold through the cooperative efforts of every agent in your area using the MLS. Don’t tie your agent’s hands behind their back—they pay dearly for MLS membership and know the value of offering all agents the opportunity to present the home to their customers.

15. Relying Solely on Traditional Methods to Sell Your Home

The agent who is innovative and willing to offer new strategies of attracting home buyers will always outperform agents who rely on traditional methods, or who use the wrong methods for your area. Effective marketing will help ensure that your property receives maximum exposure to attract a ready, willing and able buyer in the shortest period of time.

16. Making Emotional Decisions

Don’t allow a few hundred dollars, that will mean very little to you in the long run, ruin a sale. Take a look at the big picture and react rationally. Nitpicking during negotiation can really turn off a buyer. Use sound business judgment!

17. Not Considering Other Financing Terms

Cash is not always the most advantageous transaction. Income level, tax benefits and current legislation are all critical factors when considering purchase terms. Professional real estate agents are experts at home transactions and can lead you down the path that will give you the highest yield.

18. Distress Selling

At times selling quickly is unavoidable. That’s when knowing the right techniques to sell your home, without looking desperate and making yourself a target for low bidders, really pays off. Know all there is to know about your market before listing and work hand in hand with the right agent. Ensure you are not settling for the first offer through the door.

19. Believing You Are Powerless to Make a Difference

Be part of the team! Take an active role with your agent to see what you can do to facilitate your sale. Networking with professional peers and personal friends often produces the sale of a home. It’s surprising how many homes are sold this way.

20. Choosing a Realtor Based on Personal Relationships

Home sellers sometimes pick a friend or family member as their agent. Many friends and family members have been estranged as a result of failing to meet expectations. Your home sale is a time consuming, difficult task. Utilize an objective professional. Choose an agent with a strong track record and aggressive marketing plan

21. Believing All Realtors Are The Same

With all the intricate details and critical decisions to be made concerning your home sale, should you rely on anyone but a top producing professional? The terms "real estate agent" and "Realtor®" are not synonymous. Realtor® s can provide an extra level of service, and to be a Realtor® you must be a member of the National Association of Realtors (NAR). NAR is a non-profit trade organization that promotes real estate information, education and professional standards. Members adhere to a strict code of ethics founded on the principle of providing fair and honest service to all consumers.

22. Selling On Your Own

Everything has a price, and selling a home carries a high one. The enormous amount of time and effort required to sell a home often surprises the "For Sale By Owner". Furthermore, many costly mistakes can be avoided with the right guidance. Most homeowners who decide to sell their own home, do so because they believe they can save the commission paid to the real estate agent. But usually the buyer takes the estimated amount of the commission right off the top of the price anyway!

23. Mistrusting Your Agent

Would you tell a physician that you've decided to run your own tests and come to your own diagnosis? By choosing the right Realtor, you can relax and trust their judgment. The right agent is a valuable team member, who will protect your best interests and make your sale as profitable as possible.

24. Not Planning Your Move Early Enough

Many sellers simply don't plan their move early enough and then feel totally overwhelmed at the time of moving out of the house. If you are able to move at any time of the year, don't wait until summer, the peak-moving season. Consider also that the first and last few days of the month are extra busy. If you plan to sell your house, get it on the market as soon as possible. Keep a record of all expenses related to the move, some of which may be tax deductible. Fill out the Personal Household Inventory for each room. This is important for establishing the amount of declared valuation for the shipment and as a permanent inventory for insurance purposes. List, as nearly as possible, the year of purchase and original cost of each item. Attach any invoices or records of purchase to the completed inventory. Prepare a separate high-value inventory if the shipment will contain articles of "extraordinary" value. The following list includes items that might fall into this category:

* Antiques * Art Collections * Cameras * China Collections * Computer Equipment * Crystal * Figurines * Firearms * Jewelry * Manuscripts * Oriental Rugs * Silver * Stones Or Gems * Tapestries * TVs Or Stereos

25. Not Cleaning Thoroughly

An unbelievable number of home sales have been lost to straggly lawns, cluttered rooms, bad stains, unpleasant odors...all the seemingly little things. Imagine you are the home buyer and clean, clean, clean. Try to do as many of the following items as possible to improve the likelihood of an expedient home sale:

OUTSIDE

- 1) Sweep front walkway.
- 2) Remove newspapers, bikes and toys.
- 3) Park extra cars away from the property.
- 4) Trim back the shrubs.
- 5) Apply fresh, clean paint.
- 6) Clean windows and window coverings throughout.
- 7) Keep plumbing and all appliances in working order.
- 8) Maintain all sealant (window, tub, shower, sink, etc.) in good condition.
- 9) Make sure roof and gutters are clean and in good condition.
- 11) Keep pet areas clean.

INSIDE

- 1) The kitchen and bathroom should shine.
- 2) Quick once-over with the vacuum; carpets should be clean.
- 3) Place fresh flowers in the main rooms.
- 4) Put dishes away, unless setting a formal display for decoration.
- 5) Make all beds and put all clothes away.
- 6) Open drapes and turn on lights for a brighter feel.
- 7) Straighten closets.
- 8) Put toys away.
- 9) Turn off television.
- 10) Play soft music on the radio/stereo.
- 11) Keep pets out of the way and pet areas clean and odor-free.
- 12) Secure jewelry, cash, prescription medication and other valuables.
- 13) Enhance the spaciousness of each room.

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