

READY, GET SET...SELL! What to Do Before You List Your Home For Sale

CONTENTS

Seller's Homework

Physical Improvements

Professional Inspections

Selling the Sizzle

Pest Inspection Red Flags

Getting Ready for a Structural Pest Inspection

Seller's Homework

_____ Consult a tax advisor. Understand your capital gains tax liability, how a 1031 tax-deferred exchange could work for you, seller financing concerns, what costs of selling are tax deductible, the options and exemptions on the California Withholding Tax, etc.

_____ Get a copy of any trust. The title company must review it before they can transfer the property.

_____ Add up your utility bills from the last year:

ANNUAL UTILITY COSTS Divided by 12 = AVERAGE MONTHLY:

Electricity _____

Water _____

Sewer _____

Propane _____

Who owns the propane tank? _____

_____ House blueprints, photos of the house at different times of year or while under construction, plot plans or surveys can be very useful to the agent if you have them.

PERSONAL PROPERTY Prepare three different lists:

LIST ONE

Items **included** with the real estate: appliances, beds, garden statue, firewood, garage workbench, for examples

LIST TWO

Items **for sale** to the buyer. These items you would sell separately from the real estate. Prices are negotiable if the buyer wants them, and it is always best to list a written asking price.

LIST THREE

Items that are **not for sale at any price**, such as valances matching your bedspread, your anniversary chandelier, your prize potted tree, the antique dining set, favorite piano, boat, yard statue, area rug, portable spa, etc.

_____ Pull out of your files any warranties, instruction booklets, propane tank leases, or maintenance agreements that will be useful to the new buyer. If you regularly have a pest control company spray the house or a chimney sweep clean the flue, give the latest invoice to your agent.

_____ Choose which **Realtor** you will hire to represent you and market your home.

_____ Review the marketing plan with the agent. Clarify what they will, and will, not do.

_____ Review the standard purchase contract and discuss customary cost obligations of sellers in your area.

_____ Decide whether you will offer a home warranty.

_____ Decide on a realistic price. Get information on houses that are sold and those that are on the market that are similar to yours by reviewing a Price Analysis (also called a Comparative Market Analysis, or CMA) with your agent

_____ Sign the Listing Agreement and Agency Relationships Disclosure.

READY, GET SET...SELL! What to Do Before You List Your Home For Sale

_____ Sign the California required disclosures: The completed Transfer Disclosure Statement filled out by you, Water Heater Strapping and Smoke Detector Compliance, Natural Hazard Disclosure Statement

_____ Sign the Pine Mountain Lake Disclosures for Buyers form

_____ Fill out and sign the optional California disclosures: Seller Property Questionnaire and Statewide Buyer and Seller Advisory

_____ Ask your Realtor to get a Preliminary Title Report if any of the following affect the property: tax liens, mechanics liens, deceased or divorced spouses still on the deed, driveway or other easements or paid off loans not properly re-conveyed and recorded.

Give to your agent:

_____ 2 sets of keys- one for the lockbox and one for the agent to give to inspectors

_____ A copy of your latest mortgage statement so the escrow company can order the payoff quickly and the Realtor can determine your net cash proceeds from the sale

You know your home better than anyone. To sell it, your agent needs to know it, too

Age of home _____ Square Footage _____ Based on _____

Roof material and age _____

Deck material and age _____

Builder's Name _____

Do you have plot plans or building plans? _____

Do you have final building permits? _____

Have you had any inspections or appraisals in the last year?

MAINTENANCE HISTORY

Septic tank inspected or pumped _____

Woodstove or fireplace flue cleaned _____

Pine Mountain Lake Fire Safety Compliance _____

Painting, deck sealing, driveway sealing _____

Service by pest control for ants, spiders, bats, weeds _____

Termite inspection or treatment _____

Do you have a security system? _____ If yes, give the company name, phone number, keypad location and security codes, and cost per month

Landscaping irrigation systems? _____

Other _____

Buyers will be more confident about making an offer if the seller and agent are able to answer their questions about the property

READY, GET SET...SELL! What to Do Before You List Your Home For Sale

Physical Improvements

____ Locate your boundary monuments and have them staked. This is the time to find out if any monuments are missing, or an improvement is encroaching over the property line, such as a leach line, parking pad, dock, etc.

____ Since 1996 state law has required that your water heater be solidly strapped or anchored in case of earthquake before you sell it. Go ahead and do it now.

____ State law requires that you have smoke detectors on every level where there is a sleeping area. They can be battery operated or wired in. Do it now. In houses built since 1992, smoke detectors must be in every bedroom.

____ If you have received a notice from PML to comply with the Fire Prevention plan, do the brush clearing, weed eating, or limb trimming required.

____ Make sure that pets or locked doors don't prevent access to buyers of areas they want to see, including under the house.

____ If your asphalt driveway is cracked, patchy or oil stained, have a fresh slurry seal applied.

____ Be sure your address and unit/lot numbers are prominently displayed. *Pine Mountain Lake and Tuolumne County both require these signs*

____ **OUTSIDE** Clean the gutters, clear debris off the roof, remove any garbage, weeds, brush piles or dead plants, replace worn out patio furniture with new, put out fresh flowers in pots, replace worn doormats, correct drainage problems, store garden tools and hoses neatly, power wash the house, clean the windows, put fresh sealant on the deck, paint trim and siding if needed, repair faucets and sprinklers, repair or replace broken window screens, **PAY PARTICULAR ATTENTION TO THE FRONT DOOR.**

____ Clean out under the house and in the garage. Put up shelves or racks to get clutter off the floor.

____ Get the house ready for a structural pest inspection. (See Pest Inspection Red Flags)

____ Start packing. "De-personalize" the house by packing away family pictures, plaques, posters, books and memorabilia. This allows the buyer to more easily picture THEIR family in the house and also signals to the buyer that you are a motivated seller.

____ Repair: leaks, holes in walls, difficult door locks, *anything broken or hazardous.*

____ Replace: burnt light bulbs, old shower curtains, worn caulking, frayed hand towels.

____ Clean everything: woodwork, window tracks, light fixtures, appliances, inside cabinets, drapes, blinds, carpets, the birdcage. Don't leave strong odors of ammonia or cleaning solvents in the air.

Professional Inspections

Although you can wait and let the buyer pick their own inspectors and pay for the inspections, in many cases it will save you money in the long run to discover any defects or problems before an escrow is opened. It is far better if buyers know of a repair problem and considers it in their contract negotiations. Having big repair surprises, getting bids, and renegotiating are always hazardous to an escrow. The most common inspections in Tuolumne County are:

STRUCTURAL PEST

Covers wood rot, termites, carpenter ants, moisture problems in or under house. Findings are divided into Section 1 – “actual infestation or infection” or Section 2 – “conditions that could lead to an infestation”. Most buyers expect Sellers to fix all Section 1 items, or adjust the price downward to compensate for selling “AS IS”. Get a handout from your agent on how to prepare for this inspection (or see below).

HOME

Covers most components of the house. The Home Inspector will point out potential defects, code violations, hazardous conditions, deferred maintenance and non-working items. The inspector will not offer a final opinion on what should be fixed or by whom. Experts in electrical plumbing, structural engineering, heating/air conditioning, roofing or fireplace installations may have to be called for a more thorough diagnosis.

SEPTIC SYSTEM

Usually required by buyer or lender except for new homes or homes that haven't been occupied since a septic certification. If the owner locates and uncovers the tank openings they can save the cost of the inspector doing it. The inspector must have access to inside the house (to test the toilets). He will run up to 300 gallons of water through the system to test its capacity and distribution. (The seller pays for the water.) He will check the tank for cracks, sludge accumulation, and proper “fall” of the sewage pipes. Roots in any of the lines may have to be removed. He will recommend pumping the tank if necessary. Get a copy of the inspection report and the certification of good operation.

ROOF

As our local housing stock ages, many of the roofs need replacing. Even some newer roofs need to be looked at for these problems: defective shingles, improper venting (causing the roof to overheat and age prematurely), bad installation (such as a tile roof with support strips too far apart). Roofs in the shade last longer than roofs exposed to constant sun. A licensed roofing contractor will look in the attic and the ceiling for evidence of leaks. He will estimate the remaining life of the roof and recommend needed repairs. If a buyer is going to get a whole new roof, he may be asked to pay for some of it.

CHIMNEY AND FIREPLACE

Inspectors will look for loose stovepipes, leaky flashing, insufficient clearance in front of firebox, clearance between woodstoves and walls, flues full of creosote and other problems. Buyers are nervous about things that might burn up the house (and their insurer may require an inspection clearance or pictures of the woodstove for the file).

READY, GET SET...SELL! What to Do Before You List Your Home For Sale

Selling the Sizzle

Your Realtor will have many ideas about how best to present your home. But two heads are better than one, and they will ask you to think about the most appealing features, too. For example:

The helpful neighbors,
 the cedar fragrance,
 the specimen manzanita in the back yard,
The barbecue area,
 the extra parking,
 the porch swing on a summer day,
The good garden soil,
 the owl family in the tall oak tree,
 the daffodils that come up in spring.
The shade on the deck in July,
 the sophisticated lighting system,
 the extra big oven for cooking a turkey.
The hidden safe,
 the underground drainage,
 the shoe shelves in the closet.
Close to town,
 close to the hiking trail,
 close to the tennis courts,
 far from the traffic.

SO

Why did you buy this home?

What will you miss when you move?

What did you love about living here?

What do you want the buyer to know that they might not see in a ten minute tour?

What did you replace, or improve, or add on that increases the value or enjoyment?

What would you change if you stayed?

What did you like the least? How did you tolerate it or deal with it?

What features should be emphasized in the advertising descriptions?

READY, GET SET...SELL! What to Do Before You List Your Home For Sale

Pest Inspection Red Flags

FUNGUS FLUORISHES ON DECKS UNDER THESE CONDITIONS:

- The owner hasn't sealed the deck with wood preservative regularly
- The ends of deck tread boards have multiple nails or screws in them.
- The deck treads are close together and lots of leaf and pine needle debris are stuck in them
- There are stains from wet leaves that sat on the deck for long periods.
- The deck is on the North side of the house in the shade most of the time
- The deck is low to the ground, making it hard to see under it and reducing ventilation
- The underside of the deck is painted but the top isn't painted or the paint is peeling. This allows water to enter the top side of the deck but not evaporate from the bottom. The painted underside holds the moisture in the wood
- Corrugated fiberglass is attached under the deck, reducing ventilation
- The deck has carpet on it
- The deck has a barbecue drip pan on it
- The deck has plant pots that haven't been moved in a while

DAMAGING FUNGUS CANNOT GROW AND DESTROY YOUR DECK IF IT IS:

- High
- Dry,
- Swept,
- Sealed,
- Spaced,
- Ventilated

SUBTERRANEAN TERMITES LOVE THESE INVITATIONS:

- The ground around the house is sloped toward the foundation allowing rain water to seep under the house instead of flowing away from it
- The water heater has a slow leak and some tasty boxes stored on the dirt near it
- The wood siding extends down to the joint between the foundation and the concrete slab poured next to it. Even better if rain water sits there
- The contractor left wood form boards from pouring the foundation
- A "cellulose debris" banquet is spread under the house or decks: big tree roots, cement in paper bags, plywood laid flat to walk on, kindling in cardboard boxes
- The crawlspace vents are blocked or covered- reduces ventilation and keeps it damp

THE STRUCTURAL PEST INSPECTOR WILL PUT IN THE REPORT IF HE SEES EVIDENCE OF:

- Bats
- Woodpeckers
- Carpenter Ants
- Wood-boring beetles
- Plumbing leaks
- Earth-to-Wood contact where termites could "tube" into the house

THE STRUCTURAL PEST INSPECTOR WILL PUT IN THE REPORT THAT HE CAN'T INSPECT:

- The foundation if it is planted with thick bushes
- Second story eaves and Roofs
- The underside of a deck that is less than 12 inches above the ground
- Any parts of the deck where wood is next to wood: treads next to each other or setting on joists or butted against the siding
- Behind insulation or under sheetrock or paneling
- Under carpet, appliances or furniture
- Attic spaces

THE STRUCTURAL PEST INSPECTOR WILL NOT INSPECT FOR:

- Mold, building code compliance, or roof leaks

READY, GET SET...SELL! What to Do Before You List Your Home For Sale

Getting Ready for a Structural Pest Inspection

Make everything is accessible! Padlocked storage sheds, or crawlspaces should be left open, or give the inspector or agent the keys. Same with locked rooms or closets.

Sometimes the crawlspace access is in a closet under a bunch of stuff. Move it aside.

Attic access should be made accessible. Move clothes or belongings to prevent them from getting dirty from falling insulation.

Walk around your whole foundation and make sure that wood piles, bushes, rocks, leaves, dirt, etc do not obscure the inspector's view of the foundation between the ground and the siding. Any earth-wood contact at the wood siding or steps should be re-graded.

In the garage, make sure the inspector can see along all the walls. Move stored items away from the walls. Metal appliances and cabinets just have to be moved enough to see the wall behind it with a flashlight. Is there an attic in the garage? Make it accessible.

If there are areas that are locked, or obscured by stored items, the inspector will have to come back and that incurs costs for extra inspection fees!

"Cellulose debris" is the term for wood, cardboard or paper that is in contact with dirt, either under the house or the deck, or stacked where it connects the dirt with the wood members of the house. It even includes old roots, or cement in a paper bag, or kindling, or sheetrock scraps with paper backing. If the inspector finds "termite eating tracks" in any of these things, they will have to spray for termites before they can give you a pest clearance.

Stall showers, tub enclosures and toilets will be water-tested for leaks. The water must be turned on.

Remove items from under all sinks so the inspector can check for leaks or water damage.

If decks are to be inspected, the underside should be accessible. Large plants in pots are prime candidates for causing deck fungus. Make sure they can be moved and inspected underneath. Also remove any carpets on wood decks.

Wood-destroying fungi, or dry rot, causes far more damage than termites in our area. These are the most likely areas to check for fungus:

Exterior

- ✓ Eaves and soffits
- ✓ Posts on porches and patios
- ✓ Wood window boxes and shutters
- ✓ Side mounted water cooler timbers
- ✓ Rafter tails and fascia timbers
- ✓ Any wood siding or structural timbers resting on earth
- ✓ Areas around sliding glass doors
- ✓ Wood fences joined to structure frame
- ✓ Wood thresholds
- ✓ Garage door jambs

Interior

- ✓ Wood windows
- ✓ Linoleum floor covering
- ✓ Kitchen cabinets, especially around sink
- ✓ Washer/dryer/laundry/tub
- ✓ Dishwasher and other appliances for loose or bulging linoleum
- ✓ Bathrooms-around toilet and where linoleum abuts tub or shower
- ✓ Shower windows
- ✓ Shower grout
- ✓ Discolored wall covering around outside of stall shower
- ✓ Check ceiling for water stains, especially under upstairs plumbing