

FOR SALE BY OWNER



How to
Separate the
LOOKERS
FROM THE
BUYERS

FOR SALE



BY OWNER

10 Inside Tips

To Understanding How To Sell Your Own Home!

If you ask anyone who has ever tried to sell their own home themselves they'll tell you that from the moment the "For Sale By Owner" sign goes up, the phone begins to ring. Unfortunately, many of those calls will not be from prospective buyers, but rather from real estate agents trying to obtain your listing. Obviously, the idea of not having to pay commission to a real estate agent is attractive to any home-seller. But because of all the issues involved in the process, selling a home on one's own can be challenging, as many home-sellers will attest.

The Key Is To Be Properly Prepared

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Be Properly Prepared

The key is to be properly prepared. If you are not, your home could remain on the market longer than you expect because you are not attracting and getting offers from qualified buyers. This can be the point where many homeowners become frustrated and consider giving up their dream of selling their home themselves. However, there are sellers who successfully accomplish selling their own homes. You can be one of them!

This industry report has been especially prepared to assist home-sellers such as yourself in understanding the elements involved so that you, on your own, can sell your home quickly and for the most amount of profit. To help you prepare, here are 10 inside tips that you should be aware of before making the decision to sell your home by yourself.

**With These Goals Addressed
You're Ready To Begin The Sale Process**

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Step 1 – Price It Right

Correctly setting your asking price is critical. Setting your price too high can be as costly as setting it too low. Home prices are determined by fluctuations in the marketplace, not by your emotional attachment or by what you feel your home is worth. In order to establish a realistic price for your home, objectively compare the price, features and condition of all similar homes in your neighborhood and, in particular, to other similar homes which have sold in recent months.

It is also important for you to be familiar with the terms of each potential sale. Terms are often as important as price in today's market. Carefully budget your selling costs and prepare a net proceeds sheet to calculate your best estimate of what you will take away from your home sale. Prospective buyers may also request this kind of analysis of buying costs.

**The Vast Majority Of Private Sellers Don't
Have Accurate Data To Price A Home**

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Step 2- Prepare Your Home For Sale

First impressions are crucial. Make sure your home makes a positive statement by carefully inspecting all details and viewing it through the objective eyes of a buyer. Don't gloss over needed repairs and fix-ups, as your prospective buyers won't. Your job is to ensure that your home stands out favorably from the competition.

**On Average, A Properly-Staged Home
Sells For 3% More Money**

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Step 3 – Prepare Yourself with All Necessary Legal Documents

Not surprisingly, there are many important legal contracts and documents which you must assemble, complete and understand. A partial checklist of forms that you will require for prospective buyers and for legal documentation is as follows:

- Seller Disclosure
- Mortgage Payoff
- Deposit Receipt
- Buyer's Cost Sheet
- Personal Property
- Property Survey/Plot Plan
- Purchase Contract
- Loan Application
- Property Profile Fact Sheets
- Closing & Settlement Documents
- Exclusion List
- Seller's Statement of Representation

It Is Very Important To Have The Legal Documents You Need

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Step 4 – Market Your Home Effectively

Beyond the sign you will put on your lawn, you should find effective ways to spread the word about your home. Local buyers can be reached through the newspaper, but this is only a small part of the market you are after. Be sure you include the many buyers who could already be working with a real estate agent. To locate them, target as many top agents as possible in your market to see if the criteria of their buyers matches that of your home's. Because out-of-town buyers are also an important target, you should create a strategy to reach them as well. Above all, you should be very service-minded and make it easy for prequalified buyers to view your home. Ensure there is always someone available to answer the phone, pick up messages promptly, and be ready to give qualified prospects a tour of your home as soon as possible.

Effective Marketing Will Drive Qualified Buyers To Your Home

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Step 5 – Remain Objective During the Showing of Your Home

Keep emotion out of the sale of your home, and the best way to do this during a showing is to remain physically in the background. If a prospective buyer says something negative about your home, it is better to counter-balance this point of view by illustrating the positives rather than becoming defensive.

**Keeping Emotions Neutral Will Net You
More Money On The Sale Of Your Home**

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Step 6 – Pre-Qualify Your Prospects

Don't waste your time entertaining buyers who could never afford your home. It is a big time-waster, and the experience of showing your home to unqualified buyers can be very frustrating.

Research their financial steadiness with respect to job security, salary, debts, liabilities and credit standing. Prequalify buyers before you spend time showing your home to any of them.

**Separate the Real Buyers
From The Tire Kickers**

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Step 7 – Negotiate Effectively & Knowledgeably

There will be many details to resolve before a sale can be considered final, such as price, terms, inspections, possession date, buyer concerns and objections. Make sure you fully understand the contract you have drawn up so you can, in turn, explain details and ramifications to the buyer and make any amendments to the sale that are necessary.

The contract you use should be thoroughly examined by your real estate attorney. Some real estate brokers may be willing to help you do this. While this is going on, manage the buyer's interest in your home so that it doesn't wane during negotiations.

Know the Details Of The Contract You Will Use In The Sale Of Your Home

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Step 8 – Know Your Buyer

Your objective during negotiations is to control the pace and set the duration. Try to determine your buyer's motivation.

- Does he or she need to move quickly?
- Do they have enough money to pay your asking price?
- Do they have an agent helping them with the purchase?

Knowing this information will give you the advantage in the negotiation because you will know up front what you will need to do in order to get what you want.

If The Buyer Is Guided By A Real Estate Agent It May Put You At A Disadvantage

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Step 9 – Don't Move Out Before You Sell

Studies have shown that it is more difficult to sell a home that is vacant. It looks forlorn, forgotten, and simply not appealing. It could even cost you money. If you move, you're also telling buyers that you have a new home and are motivated to sell fast - which can, of course, give them an advantage at the negotiating table.

**Vacant Homes Are More Difficult To Sell
Than Occupied Homes**

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Step 10 – Know Why You’re Selling & Keep it to Yourself

The flip side of “understanding your buyer” is to “understand yourself.” Your reasons for selling will affect everything from your list price to how much time and money you will invest in getting your home ready for sale. Your motivation will help you determine what is more important to you: the money you walk away with, the length of time your property is on the market, or both. Different goals will dictate different strategies. As someone who wants to sell without a real estate agent in an effort to save the commission, it is likely that money is one of your primary considerations. Whatever your reasons, however, it is very important to keep them to yourself so as not to place yourself at a disadvantage at the negotiation table. When asked, simply say your housing needs have changed.

Keep Your Reasons For Selling Private

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Buyer Facts to Remember

Private Facts That Sellers Absolutely Must Know!

#1 First-Time Buyers

Their inexperience necessitates the services of an agent to assist them with the home buying process, financing obligations, offers and contract-to-purchase agreements, and closing procedures.

#2 Corporate Relocation Buyers

Most are unaware of the area, have limited time to buy, and are often contractually obligated to use a certain real estate company.

#3 “No Money Down” Buyers

Agents do not work with these TV dreamers. Unfortunately, most approach private sellers hoping to find one who is ‘desperate’ to sell at any price.

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Buyer Facts to Remember

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#4 Move-Up Buyers (The Best)

Up to 97% of these buyers are actually sellers whose homes are currently listed on the MLS. They are working with an agent for the purpose of selling their existing homes.

After they sell, they become a move-up buyer and use the same agent to find their next home.

#5 Bargain-Hunter Buyers

They know private sellers are trying to save the real estate commission, so they demand a price reduction equal to the commission. The private seller nets the same amount of money as if he had listed with an agent. The private seller is no better off financially, plus they took all the risk and did all the work.

**Buyer Types and Their Identities
Determine Their Ability To Buy**

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How to Assess Your Net Gain

To analyze whether or not you will end up ahead by choosing to sell on your own, consider the fact that most buyers do use a real estate agent because it doesn't cost them anything for the service (**i.e. the seller pays the agent's fee**). Be cautious - as buyers, investors and speculators who seek out "For Sale by Owner" properties are typically those in search of a bargain. The low-ball offers from these types of buyers will often net you much lower in the long run. What you will have to judge for yourself is the following:

1. Be as prepared as possible with your marketing, negotiations, evaluations, showings and all legalities.
2. Consider what it will cost you to effectively market your home and assemble all necessary materials - from the "For Sale" sign, to any ads you will run, to the legal contract.
3. What price will a buyer offer you as a "For Sale by Owner," minus the costs identified in point 2 above? Is this net price higher than the price an experienced agent could net for you minus his/her commission?