

YOUR STRESS-FREE GUIDE
To Selling Your
**OWN
HOME**



Dave Bedient "The SPECIALIST"

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About David

I specialize in servicing retail customers, real estate investors and house flippers. As a skilled negotiator, I will reach the best terms for my clients. Understanding the importance of communication in a client-agent relationship, I am always available to answer any questions or concerns throughout the entire process.

For the last decade, I have actively invested in reinvigorating and renovating properties, which has given me a deep knowledge of the inspection and appraisal processes. Through this, I have formed many relationships with other real estate agents and over time, created an accessible extended network.

Before obtaining my real estate license, I was educated as an engineer. Thus then becoming self-employed and built my own computer engineering company from the ground up over the past 30 years.

My entrepreneurial spirit led me to begin a new adventure in real estate because I have always enjoyed the idea of buying, selling and improving properties. My engineering background has fine-tuned my attention to detail and problem-solving skills, two important traits clients appreciate.

My greatest influence is my father, who taught me to continually improve myself, work hard but smart and never give up on projects. I have been married for almost 30 years, and a proud father to my daughter and grandfather to my grandsons. When I have time to relax, I enjoy photography, play time with my grandkids, woodworking and supporting my church, foster care groups and various non-profit organizations.

Preface

When I first ventured into the real estate industry years ago, I did so with the hopes of helping sellers like you avoid the headaches often associated with the home-selling process. In my years of experience, not only have I helped alleviate the stress of selling for numerous clients, but I've also accumulated years of knowledge to help them get more money for their homes in the least amount of time.

I decided to share all of my expertise in one place with potential clients. And that's why you're receiving this book. I want to help you have the best possible home-selling experience. And by that, I mean I want you to 1. Get the most money possible for your home, 2. Sell in the least amount of time, and 3. Avoid the headaches most commonly associated with the home-selling process.

Think of this book as my gift to you. It contains insider advice on the home-selling process to help you achieve your ultimate real estate goals, including:

- Secret strategies to sell your home for more money
- Marketing techniques employed by top agents
- Advice on how to appeal to today's buyers
- And much, much more

If, after reading through it, you want to hire me to help you sell your home, I'd be more than happy to meet with you to discuss a specific plan to sell your home. Happy reading!

CHAPTER 1

How to Sell Your Home Faster ... and for More Money

In the process of selling, you will spend an incredible amount of time holding showings for potential buyers. Unfortunately, many are not interested in buying your home. This wastes a lot of your time.

This means the average home showing process takes three–four hours. Most owners show their home at least 8–10 times before making a sale.

The average owner spends 24–40 hours of his or her life showing their home. It can easily take 80–120 hours to complete the process.

Many homeowners will jump at the chance to show their home to anyone and everyone. When a buyer calls, they drop everything. This reactive approach is a big reason why it takes them anywhere from 8–30 showings to find the right buyer! The process could literally consume your life.

Over time, stress begins to build. Not just on you. Repeated showings are stressful on your entire family. It gets worse, as casual buyers continue strolling through and walking away undecided.

Do you have children? Pets? Showings cause chaos in their lives! Kids are rushed off to a friend's house or whisked away to the park. Toddlers are parked in a playpen so you can begin the hurried cleaning process.

Maybe your pet gets locked in a crate, sent to the basement, or tied up in the yard. Your dog can't run around during the showings or even while you clean the house. The poor pooch is cooped up for hours every time a buyer wants to stop by.

Children and pets do not like chaos. They might start misbehaving or need extra attention to counter the stress.

At the same time, the house needs to be spotless, from top to bottom. Someone has to rush around, frantically cleaning and organizing every time a buyer calls.

Chances are, you are going through all this stress to prepare for someone who was *never serious about buying in the first place*. Most people who look at a home are not going to purchase that *particular house*. Many "buyers" come only out of curiosity.

Many real estate agents show buyers multiple houses in order to increase their odds of making a sale. According to the National Association of Realtors[®], an average agent sells 11 houses a year. Therefore, each transaction represents approximately one month's worth of income.

The agent wants to close a deal quickly and receive his or her commission.

Here's the problem you are facing. Most real estate agents go about it the wrong way. They believe they will increase the odds of making a sale by showing as many houses as possible to their potential buyer.

They flood the buyer with options, hoping something will catch his or her attention. At the same time, they do not have a clear picture of exactly what the buyer is looking for, so they are unable to deliver.

Let's look at how the typical process usually works. An agent has a potential buyer who would like to buy a three-bedroom/two-bath house in a specific area.

First, this agent prints out every listing that matches the buyer's criteria, including a few close matches. These houses might not have two full bathrooms, or they might be slightly over budget.

She then takes the client from one house to the next. The buyer will see many houses, but, in most cases, won't be interested in any of them. Nothing has that special something they want in a home.

This leads to wasted time, both for the buyer and the sellers they visit. Most buyers end up touring 20–50 houses before making a purchase. If the buyer visits 30 houses, and each seller takes three to four hours per showing, that buyer wastes 90–120 hours of his and the sellers' time.

Many hours could be saved if real estate agents and sellers learned how to *qualify buyers ahead of time*. Buyers could then look at the listings and know immediately whether they want a particular property.

What if you could find serious buyers and get them interested in buying your home? In an ideal world, buyers would not go out to see a property they didn't want. If you were the seller, you would not have to prepare your house for a buyer who wasn't likely to make a purchase.

You would only show it to people interested in buying. That would help you sell your house faster while reducing stress on you and your family.

It would cut down on the number of showings, but each visit

would be a potential sale.

This book will help you turn that ideal world into reality. First, though, you need to have a clear understanding of exactly how much your house is truly worth in today's market.

POINTS TO REMEMBER:

- The average owner spends 24–40 hours on the 8–30 showings needed to sell their home.
- With preparation, the process can take 80–120 hours, causing stress for adults, children and pets.
- Most real estate agents show potential buyers many homes, hoping one will catch the buyers' attention.
- A better method is to show your home only to serious buyers, qualifying them in advance.

CHAPTER 2

Why Some FSBOs Sell and Others Don't

The key to this successful home selling approach is a revolutionary finding discovered by Italian economist Vilfredo Pareto. His greatest contribution, the Pareto Principle, is better known informally as the *80/20 rule*.

In 1906, Pareto noticed that 20% of the pea pods in his garden held 80% of the seeds. Taking a closer look at this ratio, he found that 80% of land in his area was owned by 20% of the people.

After detailed study, he observed this ratio held true in many aspects of life. For example:

- 80% of your income is derived from 20% of your work.
- 80% of a business's income is derived from 20% of their customers.
- 80% of your value to an employer is derived from 20% of your work.

In a nutshell, approximately 20% of what you do matters. The other 80% is insignificant.

It is important to understand this is not always split at 80/20. It can be 70/30 or another percentage. The key is that the two numbers are not equal, and they are usually close to 80/20.

Applying the 80/20 rule can save you time selling your home. Unfortunately, many real estate agents and sellers buy into the

false idea that more is more. They completely ignore the Pareto Principle.

Stop trying to sell people on the entire home. Based on the rule, only 20% of your home's features are important. The remaining 80% are trivial.

That's because they are the same features many other homes in your neighborhood have. Instead of focusing on those trivial features, focus on the unique features to grab the attention of buyers.

These features make your home different from others. They'll make it easier to sell your home for the full asking price.

Let's look at a few real-life applications and examples of how the 80/20 rule can have an impact on selling your home.

POINTS TO REMEMBER:

- According to the 80/20 rule, only 20% of your home's features are important to buyers.
- To sell your home, focus on the 20% of its features that make it unique.

CHAPTER 3

Violate this Home-Selling Rule and Lose Money

Remember that buyer in the market for a three-bedroom/two-bath house? Let's assume the agent found that buyer five houses to preview. Each meets his general criteria and is located in the area where he hopes to live.

The agent and her buyer drive out to look at the five houses. All five have similar features. The prices are comparable. In theory, you might think the buyer will have a hard time deciding between houses.

No matter how similar they may seem, *no two houses are exactly alike*. In real life, the 80/20 rule comes into play. Imagine four of the houses don't have a pool, but one does. The buyer is not aware of this, though, because the agent didn't mention it.

The buyer sees the four houses that don't have a pool. He isn't particularly interested in any of them. Then he sees the fifth house and the pool! Suddenly, he is ready to make an offer. He might even pay full asking price, even though this house is more expensive than the others.

The buyer's offer isn't based on the 80% of features this house shares with the rest. Instead, his bid is based on one unique attribute: a pool. The 80/20 rule predicted the sale of this house.

Sadly, in this case, much time was wasted finding the perfect house. Had the agent known to look for the 20% difference, this might have been her first stop. As a seller, you can leverage

the rule to work in your favor. Draw attention to defining characteristics in your home.

Here is a real-life example. A real estate agent had a client visit from out of town. He did not have a list of criteria; he just liked the area.

The agent drove him from house to house. In each case, this buyer suggested offers that were 10% to 20% below the asking price. He would not budge. She began to worry; the whole day was turning into a big waste of time.

As the sun set, they stopped at one last house. It was not good-looking and had little curb appeal. She was out of options. Nevertheless, this house broke the tough negotiator down.

He was suddenly willing to offer the full asking price! What set this house apart from the others? It wasn't because the buyer had a thing for ugly houses. Nope. The 80/20 rule kicked in again. *Buyers pay more for unique features.*

This agent and her client had spent the whole day looking at houses that shared 80% of the same features. He did not care about any of those details. A bedroom was a bedroom as far as he was concerned.

He fell in love with the one remarkable feature of this house. As he walked into the great room, there was a large window. The house sat atop a hill with a gorgeous view. And to top it off, the sun was setting below the distant tree line. That view sold the buyer. The other 80% could be improved.

He did not buy the house because he liked the floor plan or the number of bedrooms and bathrooms. That view caused him to stop negotiating and offer full price on the spot. Such is the power of the 80/20 rule.

Learn how to tap into this rule, and you will not have to settle for less than your asking price. Leverage a unique selling point. Buyers who fall in love do not haggle over pricing; they make good offers.

In some cases, the 80/20 rule even helps people make a sale *without conducting a showing*. This is a huge time saver. The house in the following example had languished on the market for months.

Unlike the previous house, this place was not ugly. On the contrary, it was a brand-new custom-built home. But nobody seemed to care. It sat on the market more than seven months without a single offer.

The builder was baffled. His fancy new house would not sell. He ended up firing his agent and hiring a new one. Fortunately, the new agent knew the importance of finding that special feature. He drove out to give the house a thorough investigation.

What he found changed everything. The house had a gorgeous five-acre yard. Other houses being sold in the area were all on one- to two-acre lots.

Not only was the yard bigger, it was more private than other lots available. The new real estate agent marketed the five acres. He mentioned details and a description of the house, but the house was not the main selling point.

He shifted attention to the five-acre lot. In no time, his phone rang! A buyer was relocating and had noticed the house was for sale, but it hadn't caught his eye.

That changed suddenly when the buyer learned it was built on a five-acre lot. He submitted an offer from 1,000 miles away, *never*

having seen the property in person.

He was afraid someone else would buy it before he could, and he would lose out on the perfect house. That sale happened in 45 days.

The builder was amazed! His house had been on the market close to eight months without so much as a nibble. Suddenly it was sold — purchased, sight unseen, all because of the 80/20 rule.

For a short time, this “unsellable” house became the hottest house on the market.

Don’t create an advertisement like the ads for every other house in the area. Turn a spotlight on something different about your home. You will attract interested buyers willing to pay full price.

SELLING TO INTERESTED BUYERS

Find something unique about your home and build advertisements around that one item. It will catch people’s attention. Buyers who are looking for that one item will ask to come see your home in person.

As a result, you will stop wasting time showing to people who are not interested. Instead, you will be showing your home to buyers who are motivated to make a purchase.

You won’t have to show quite so often. You also won’t have to sift through lowball offers from apathetic buyers. Less stress for you.

Take time to uncover your home’s most attractive and unique features. Compare notes with other houses in the neighborhood to see what makes yours stand out.

POTENTIAL UNIQUE FEATURES

Each house has unique features. You may already have some in mind. If not, these ideas should get you started:

- **Hilltop views are an excellent defining feature.** As with the earlier example, a high vantage point offers a spectacular view of the surrounding area.
- **Maybe your home looks out on an open field, frequented by wildlife.** Many people would like that view.
- **Perhaps your house has an unobstructed view of the sunset.** That would interest potential buyers.
- **Patios are another great feature.** Maybe the rest of your neighbors have smaller patios or none at all. That vital feature could help you sell your home.
- **Location** can set your property apart from others. Not your addressed location, but rather, your location compared to the surrounding homes, such as on a cul-de-sac.

A buyer once paid extra for a townhouse simply because of its location in the complex. Most of the surrounding homes did not have any yard. However, a few shared a large half-acre “yard area.”

One of the owners whose townhome backed up to this yard area sold his townhouse for a higher price. It set his property apart from others on the market.

His home had a characteristic shared by fewer than 10% of the others. He had the only available listing offering that feature. With this easy point of difference, the house sold for a higher price.

Another townhome seller in the same complex did not have a

yard, but his property backed up to a lake and fountain. That extra feature helped him sell his townhouse quickly and for a great price.

- **You might have a private location.** For instance, your lot might be partially concealed by trees, or you might have an empty lot next to you. Use this to market your property.
- **You might have a unique backyard.** If you have a larger backyard than your neighbors do, use that to your advantage.
- **A shady backyard can also help you sell your property.** Some people like the idea of lounging in the shade.
- **A fenced-in backyard is also a big selling point.** People with kids and pets flock to homes with fenced backyards.
- **You also can look at other features.** For instance, a finished basement can help you sell your home. You can market a large attic, an extra-large garage, a swimming pool, or anything else that makes your home stand out.

Look for the 20% difference and *find a way to market it*. That is how you will get results. You cannot just throw the information into your listing, though. You have to take the right approach.

POINTS TO REMEMBER:

- Focus on the features that set your home apart.
- Buyers often pay more for unique features.

CHAPTER 4

High-End Tactics to Sell Your Home for Top Dollar

The rich and famous use this secret strategy to sell their homes. In one instance, a real estate agent reported this strategy caused one condo to sell for \$110,000 more than a similar condo in the same building.

In reporting, the real estate agent mentioned having intimate knowledge of both condos. Neither listing was bank owned, a short sale, or a distress sale. The only plausible explanation why one home sold for more than the other was the seller's use of this secret home selling strategy.

This strategy is effective in any market, no matter what type of property is being listed. It applies equally to houses, apartments, townhouses, or condos. Agents and sellers using these tactics have a greater chance of closing a sale *for more money*.

This real estate agent discovered the secret strategy, almost by accident. He met a wealthy executive who was interested in selling his condo. The owner was willing to hire the agent, on one condition.

The real estate agent must agree to use the man's secret method to sell the condo. It sounded crazy, and the agent was naturally skeptical.

On the other hand, selling the condo would bring a handsome commission. Conversely, if it did not work out, their agreement would expire, and the agent would walk away with nothing

gained or lost.

The real estate agent decided to give it a shot. He helped prepare the listing. They priced the condo at \$554,900. For reference, two similar condos in the same complex were listed for \$479,000 and \$439,000.

With two similar condos listed for less, the agent was doubtful of a sale. But the condo went on the market. Almost immediately, he began to doubt the strategy. The condo was showing regularly, but no one was making offers. People were just walking through and leaving.

To make matters worse, most visiting agents thought the condo was overpriced. They could not understand why the owner was asking for so much money. After all, a similar condo just around the corner was available for \$100,000 less! They counseled their buyers to keep looking and left without making offers.

The story is real. The condo had no special attraction that set it apart from the others. This unit was not a penthouse. It was on the sixth floor of a 10-floor complex. The top-floor units were not penthouses either. And the other agents were not wrong. The price was high.

Still, the owner stood firm. One day, four months and many showings later, another buyer walked in. This time it was different. This buyer loved the condo the moment he stepped through the doorway. He made an offer *before he finished the tour*.

The agent could not believe what he had heard! He rushed to call the owner. The owner accepted the man's offer, while the agent began to worry. Maybe the buyer would find out he was overpaying. Maybe the deal would fall apart. But no, everything worked out.

The place successfully sold for \$549,000, which was a record high! Naturally, the real estate agent was thrilled. So was the owner. He made a substantial profit.

The price was \$110,000 higher than the previous condo that had sold two and a half months earlier for \$439,000. The higher price was not because prices were rapidly increasing.

The next unit that sold (28 days later) went for \$435,000. It was a less desirable second floor unit. Five months later, another similar condo sold for \$450,000.

Would you like to use this secret strategy to sell your home for more money? It does take some extra time and some extra work. But as you can see, the payoff is well worth the effort.

What is the secret strategy? What was the special request the wealthy home seller had for his agent? It was simple. He wanted to *stage the condo*.

Staging is the act of sprucing up a home to make it as visually appealing as possible. It might sound crazy, but it causes homes to sell for more money. In fact, a *whole lot more*.

Many agents encourage sellers to stage their homes. However, very few of them could ever show you a case study proving it will help your home sell for more money.

Fortunately, this real estate agent knew he was onto something. He began researching everything he could find on staging and the impact it had on sale prices.

He put his findings together in a comprehensive report, sharing the tactics the wealthy seller had taught him. He included all the examples he found as case studies.

POINTS TO REMEMBER:

- Staging is a method of making a home as visually appealing as possible.
- The staging strategy has power to make homes sell for much more money.

CHAPTER 5

Does Clutter Matter?

STAGED VS NON-STAGED CASE STUDY & REPORT

Dear Reader,

I wanted to give you the most convincing proof possible. Many people find it hard to believe the simple act of staging helps one home sell for more than another similar home.

In my research, I looked for examples of similar houses being sold for differing amounts of money, where only one of the two houses were staged.

The clearest example I could find was in these two listings.

This development has 200 equivalent townhomes.

Every single townhome in the neighborhood is 3 stories, with 3 bedrooms and 3 bathrooms. Every single unit has the exact same floor plan.

I looked for two sales there and found these:

- **Townhome A sold on August 26.**
- **Townhome B (5 doors down): sold on July 26, for \$40,000 less.**

I personally visited this neighborhood, and I am familiar with these properties. You could not find a better example of two

identical properties that sold for different prices.

The details show these two homes are identical in every substantial way:

- *The lots the units sit on are identical, as far as the desirableness of the location.*
- *Both units had the same kitchen plan with the same cabinets and a tile floor.*
- *Both units had nice hardwood floors in the living room and carpeted bedrooms.*

Every important detail of these two townhomes was identical. I studied every aspect of these sales to find what made the difference.

There are two reasons one home sold for \$40,000 more than the other:

- *Townhome A was professionally staged, giving it a more appealing appearance.*
- *The agent selling Townhome A took higher quality, more attractive photos of the home.*

Those two seemingly small actions made the \$40,000 difference! The buyers of Townhome A made a higher offer because the agent presented the home in a more appealing and attractive way.

- END OF STAGING REPORT -

Even simple things can make a big impact on the final sale price of a home. Staging done well is one of those things!

YOU HAVE TWO OPTIONS FOR STAGING A HOME:

- **Option 1:** Do it yourself. Learn how in the following chapter.
- **Option 2:** Hire a professional home stager. If you are considering hiring someone to handle your staging, contact me for a list of references. I'd be happy to share recommendations and send you information on stagers who will do a good job for you.

POINTS TO REMEMBER:

- Professional staging can dramatically increase a home's sale value.
- Staging creates opportunities for high-quality pictures to show a home to its best advantage.

CHAPTER 6

Get Buyers off the Fence in 8 Seconds

Buyers decide in the first eight seconds of touring a home whether they are interested in it. That is why it is so important to stage it.

You can hire someone to do much of the hard work, but some things you can handle yourself.

MAKE IT SPOTLESS

It is vital to do a thorough, deep cleaning of your home. It works for people selling a car (they get more money), and it will work for you on a bigger scale when selling your home.

For a good deep cleaning, you should do the following:

Declutter: Begin with decluttering. As a standard, go through your home and get rid of 50% of your belongings. Highly personalized items, photographs, out-of-season clothes, random junk and excessive furniture need to go.

To be clear, you do not have to throw the stuff out! Donate it. Sell it at a yard sale. Give it away. Someone can use what you don't need. Put precious items, such as family photos, into a safe or offsite storage.

Once you declutter, you will be amazed how much roomier and nicer your home feels. The goal is to de-personalize the home so potential buyers can envision themselves living there.

Hardcore Cleaning: Now that the clutter is gone, move on to hardcore cleaning. Be meticulous. Tidy each room from top to bottom.

DON'T FORGET TO:

- Get rid of cobwebs first. This keeps you from getting dust bunnies all over freshly cleaned floors and furniture.
- Dust ceiling fans and lighting fixtures while you clean the cobwebs.
- Dust your blinds.
- Wash walls, unless you plan on painting.
- Clean all glass surfaces: mirrors, television screens, patio doors, and windows.
- Polish all wooden surfaces.
- Wipe down any leather furniture.
- Attack all appliances with cleaning fervor. Make them shine!
- Sinks, toilets, tubs, showers, faucets, and countertops need to be impeccable. Every room is important, but the kitchen and bathrooms always draw buyers. They need to be eat-off-the-floor clean.
- Vacuum rugs, shampoo carpets, and mop as if your life depends on it.

Painting: Fresh paint provides a clean canvas. If you have not painted your house in the last year, consider doing the entire inside of the home right now. If you have painted it, you might want to paint a second time.

When planning to repaint, include everything. Paint the ceilings, the trim and window casings, and the doors. Do not forget the

closets. And, of course, paint the walls.

Make sure you paint the right way. An artist creates a new painting on a plain, primed canvas. Through your efforts with painting, you are delivering your potential buyers a clean, primed canvas, where they can imagine their family in your home.

Keeping all of this in mind, use neutral colors. That does not mean everything must be lifeless or stark white. That can have a negative effect as well. Rather, you want colors to be unobtrusive.

Stick with gray, beige, off-white, and white. If you just painted the master bath turquoise and added cute polka-dot trim, change it! Remember, a blank canvas opens the imagination to endless possibilities. Polka dots do not.

Kitchen and Bath: Focus on these high-impact areas. Buyers are most turned off by dirty, grungy bathrooms and kitchens.

Now, that doesn't mean you can create stunning bathrooms and kitchens, while leaving the rest of the home a mess, and still expect to sell your house for top dollar. Just be sure to address your bathroom and kitchen first.

Keep this in mind: potential buyers might forgive a less than stellar child's room, but a questionable bathroom or kitchen could cost you a sale.

Now it's time to move on to another important issue — appliances.

New appliances can be a great idea or a waste of money. Fortunately, you can follow a few guidelines to make the big decision.

Should you buy new appliances? It depends on your situation. No

doubt, new appliances make an impact with buyers. The National Association of Realtors® did a survey of buyers in the market over the past several years and found:

- Buyers were somewhat or very interested in buying a home that featured new appliances.
- 41% percent of home buyers were willing to pay more for a home with stainless steel appliances.
- The most important factor: appliances were available.
- Buyers who were unable to get their sought-after appliances said they would have been willing to pay, on average, nearly \$2,000 more for them.

Potential buyers want appliances included and will pay more for them, especially if they are new, or at least in excellent condition.

If you can afford it, new appliances might be the feature that sets your house apart from the home for sale across the street. If new appliances are out of your reach, offer buyers your current appliances, immaculately clean and fully functioning.

Updating Hardware: Take a nice, long look at your bathroom and kitchen hardware. You will likely notice it looks well used.

Put yourself in a buyer's shoes. They are looking at your old house as their potential new home. Old, worn-out fixtures are not going to speak to them the way shiny new hardware will.

That does not mean you should run out to buy all new fixtures. Unless your knobs, pulls, handles, and hinges are broken, there is no real reason to replace them.

Get that new look simply by thoroughly washing and repainting them. There is spray paint made specifically for this reason. The project should be inexpensive.

Here are some items of household hardware you can make look almost new with a paint overhaul:

- towel bars
- toilet paper holders
- door handles
- light fixtures

The goal is to patch up your home nicely, with as little cash as possible. This is a great way to do it.

If you do have broken or completely worn-out hardware, you had better replace the whole set, unless you can find matching pieces. You could paint the old and new to match. You could also combine the good parts in one bathroom, and replace all the hardware in the other.

OTHER INEXPENSIVE BATH AND KITCHEN UPGRADES

- Buy a new toilet seat.
- Refurbish worn-looking cabinets with a paint project.
- Replace an outdated sink with a pedestal variety.
- Repair grout in tile backsplashes, floors, and tub surrounds.

POINTS TO REMEMBER:

- Staging is important because buyers establish interest in the first eight seconds of seeing a home.
- Start with decluttering and a thorough cleaning.
- Repaint walls, ceilings, and closets in neutral colors.
- Focus especially on kitchens and bathrooms.
- Replace or rejuvenate worn hardware.

CHAPTER 7

Details to Remember

According to the National Association of Realtors®, most recent home buyers would have preferred improved closet space, as well as other storage opportunities. People have lots of stuff, and they need somewhere to hide it.

You can never have enough storage! Give buyers great storage, and you've won their hearts.

If you can add new closets to your home with ease, it is a huge bonus for you. Building a simple closet is not difficult if you are even moderately handy. If you are selling an older home where closet space is typically at a minimum, this will help.

Of course, adding closets is not always a possibility. If your rooms are already small, you might not want to take any square footage away from them.

You might not have the skills—or the funds—to acquire more space. This is when we turn to closet organizers for help:

- You can easily design your custom closet kit online with a storage solution company, such as ClosetMaid.
- Your standard superstore or hardware store often has exactly what you need in an inexpensive, prefabricated form. Organizers might not enlarge your closets, but maximizing vertical and horizontal space is a good substitution.

Don't stop there. After all, storage is not restricted to clothes closets. Storage improvement opportunities also apply to cabinets, linen closets, attics, and basements.

It is important to make sure you organize your cabinets. The same places that provide closet organizers can help you with this. Take a good look at your laundry room or linen closet. Adding extra shelving in these places makes a big impact.

Look for any place you can add attractive and inexpensive storage. Make sure your improvements are tasteful.

Use the bedroom addition trick. Who doesn't want to add tons of extra value to a home? Here's an easy way: add another bedroom relatively inexpensively.

Okay, before you start laughing, take a minute to consider your options. While not every home will benefit from an extra bedroom, in special cases, it can really set your home apart from others in the market.

This does not mean you need to add square footage to your home. Simply create space for another bedroom. For example, add a closet to an extra junk room. *Voila!* You have a bedroom.

You can easily convert a den, office, spare room, or conditioned attic into a third or fourth bedroom by building a closet.

Before rushing off to build closets, compare your home with similar houses available in your area:

- If three-bedroom homes are the norm in your neighborhood, a fourth bedroom might give you a real advantage.
- However, if buyers in your area are looking for one- or

two-bedroom homes, an additional bedroom would be a waste of money.

Do some homework. Find out configurations of rooms in nearby homes. Talk with a real estate agent about buyer preferences. They can help you determine whether you would benefit from a simple bedroom addition.

Bottom line: if you need a significant boost to your home's worth, adding a bedroom is one great way to do it.

Mechanical maintenance is a must. It is easy to get wrapped up in the more visual aspects of getting a home ready to sell. But never overlook the upkeep of all the utilitarian aspects of your home.

Take a closer look at these mechanical features:

- electrical boxes and wiring
- natural gas lines
- plumbing
- central heating and air conditioning system

If these components of your home are old, outdated, or not working properly, you are lowering your home's price significantly.

According to the National Association of Realtors®, heating and cooling costs were the most important environmental features for recent home buyers, with 83% finding these features at least somewhat important.

It is true that people buying homes want to purchase something that reflects their aesthetic tastes and lifestyles. However, they also want a home that is safe and sound. Faulty electrical systems do not provide a feeling of safety. Leaky plumbing arouses

concerns of mold infestation.

These areas are no fun to fix, but they are extremely important. Overlook these areas in the preparation stage, and you run the risk of trouble later with inspections and appraisals.

Take care of the many mechanical features of your home. Obviously, professionals should do most of the mechanical work. Having a professional inspection is a big plus to most buyers, as well.

- Have a certified plumber inspect your entire water system for leaks. Check the well and septic field if applicable.
- Hire an electrician to check your wiring.
- Call your local HVAC company, and have their technicians perform a thorough service checkup.
- Contact your natural gas supplier and have them double check the mechanics of your tank and lines.

There is an alternative option to calling and arranging all these different inspections. Certified home inspectors usually can cover all the different items related to mechanical issues, and more. They can identify possible trouble spots you need to address. Many *buyers* hire an inspector, so you might even be saving them a step.

Replacing antiquated wiring and plumbing is not cheap. If you have mechanical issues and decide to sell your home as is, you might have to lower your selling price. Turning to a real estate agent for a professional opinion can help. As with the extra bedroom step, it pays to know what competition you are facing. You can also choose to wait and negotiate with buyers.

Sometimes, you will get lucky and find a buyer who is already interested in remodeling. Sometimes, you find a buyer who has

certification in that area and will buy the house for a lower price and plan to do his or her own work. If you are unable to update and repair, be honest, upfront, and flexible. An interested buyer will work with you.

If you can update, highlight fixes you can handle. Then, note any fixes requiring professional assistance. Finally, note anything you *wish* you could fix. Start with the easiest items and work down the list. Remember the 80/20 rule, and focus your efforts on the updates and repairs that bring the greatest returns!

POINTS TO REMEMBER:

- Adding inexpensive storage space can increase your home's appeal to buyers.
- Often, creating another bedroom is as simple as adding a closet to an unused area.
- Before making additions, study what other homes in your market have to offer.
- Consider hiring professionals to maintain or upgrade plumbing, electrical, HVAC, or other mechanical systems.

CHAPTER 8

Tactics for More Showings and More Money

Floors are a key in your home. If floors are worn out and need replacing, buyers will be sure to notice.

Installing new floor coverings of any kind — including carpeting, hardwood or tile — can get pricey. Costs vary widely, based on the size of your rooms and the flooring material used. Fortunately, replacement is not your only option. Use these cleaning tips to avoid expensive flooring work.

CARPETING

Carpets take a beating. General traffic, pets, children, muddy shoes, coffee, and wine all leave their calling cards on your carpeting. Unless you have been extremely fussy about your carpeting, it shows signs of use. This job calls for more than a good vacuum.

Shampoo: You can often rent or purchase a carpet shampooer inexpensively. If your carpet does not have stains, spruce it up with a good washing:

- Move furniture out of the rooms you need to shampoo.
- Follow the shampooer's instructions.
- Go over the carpet thoroughly to remove all soap residue.
- Keep traffic off the carpet until it is completely dry.

You should see a significant difference in both the smell and look

of your carpet. Buyers will notice the fresh, clean feeling, too.

Steam Clean: Stained carpets need more in-depth treatment than a regular carpet shampooer can offer. If that is the case, go with a steam cleaning and spot treatment. Either rent a steam cleaning machine or hire a professional carpet cleaner.

If you are dealing with severe stains or damage, get a cleaning estimate first. Then, compare the price to replacing the carpet. Cleaning can make a tremendous difference and save the cost of replacement.

Sometimes deep cleaning works but cannot remove an extra stubborn stain. You might be able to cover up isolated bad spots with rugs. Adding a tasteful area or throw rug makes the room a little more attractive for showings.

Don't be dishonest about a trouble spot, though. If your carpet was in such bad shape that a steam cleaning did not remove all the stains, it will be evident to buyers that the carpet needs to be replaced.

Even if your carpet is beyond the help of a professional cleaning, you may not want to replace it. New carpeting is a big expense for most people to fit into their budgets. Carpet, like paint, is a very personal choice. It would be a shame to re-carpet, only to discover a family loves everything about your house but the carpeting you just purchased!

Instead, work with what you have. Clean it and put down rugs. Keep it vacuumed. Stop people from eating and drinking on it, effective immediately. Confine pets to rooms with slick floors for easy mopping. Do everything you can to keep the carpet from getting worse.

If a buyer loves everything in your home, except for the ugly

carpeting, they might overlook it. They may be willing to negotiate a lower price or accept a flooring allowance in your final contract.

Obviously, a clean carpet is best. These alternative options can help you keep costs low, and still make a good impression.

OTHER FLOORING TYPES

No matter the material, if you have a floor that is a little worse for wear, clean it thoroughly. Pay attention to details that vary by the type of material.

Take tiny steps until you find the right fix. Your hardwood floor can probably get by with a good waxing. Vacuum the joints, where dirt accumulates. Refinishing is a last resort. Give tile floors a heavy scrubbing. Clean the grout joints between the tiles. If that doesn't work, have it re-grouted.

In some instances, you might feel the only option is to replace flooring. Make this a last resort. You might be pleasantly surprised how some tender loving care can make a floor shine!

When these non-carpet flooring types need more than a cleaning, consider repairs. However, in some cases, it is cheaper to replace your floor than to have it repaired.

If your current flooring is damaged beyond repair, you might have to replace it. When you do, consider less expensive flooring options. For example, vinyl self-stick tiles are inexpensive, easy to install, and simple to replace when damaged.

BRIGHTENING YOUR HOME

Lighting is an essential element to update when prepping your house for sale. As with flooring, tackle lighting improvements by

repairing what you can and replacing the worst fixtures.

The most important key to lighting is to be moderate and practical with your updates. Why? The National Association of Realtors® reveals many home buyers will replace lighting fixtures as one of the first changes to their new home.

There is no need to go overboard in spending big on lighting fixture updates. Help existing fixtures look their best.

Here are some cost-saving ideas to refurbish the good light fixtures you already have. Follow these tips to save cash:

- Use the same spray painting principles you practiced on your handles, pulls, and knobs.
- New globes give an old fixture an updated look.
- If repairing an old fixture will cost more than replacing, replace it with something tasteful but simple.
- Replace any light fixtures that are broken, damaged, or dangerous in any way.
- Put in new light bulbs to brighten up rooms.
- Thoroughly clean fixtures you are not updating.
- Don't forget the outside lights!

Great lighting is important when showing a home. Bright lighting makes an area look more open and attractive. This will make closets and rooms in your home feel larger. When potential buyers walk into a well-lit house, they get a feeling of openness and trust. You put in a lot of hard work cleaning, so light everything up, and let your home shine!

Revamp the front entrance: Step outside the house and onto your front lawn. Don't feel bad if you've gotten so wrapped up in updating and improving the inside of your home you have

neglected the outside. It happens to all of us.

You can rectify the situation quickly and efficiently. First, address the front entryway, starting with the lock and knob of your front door. What do you see?

- Is it a mousy little knob from decades past?
- Is it dented or rusted? Does the key stick? Is it hard to open?
- Could someone break in with a bobby pin and patience?

If you answered "yes" to any of these questions, you need to replace your door handle with a heavy-duty deadbolt and knob combination. Why? The knob is the first point prospective buyers touch on your home.

A flimsy lock and handle on your front door tells potential buyers your home isn't secure. It makes them feel uncomfortable, and they won't even know why. Get a nice, sturdy set, and they'll feel your home is as safe as can be.

Now, take a good look at your door. Is it pleasing to look at? Or is it weathered and dinged up? Has your metal door never seen a coat of paint? Is the paint on it peeled and flaking? It is time for a change. Here are two simple ways to put a new face on your house:

- Add a dash of color. Choose paint that complements the color of your home.
- Use faux painting techniques to transform your metal door into a wood grain look-alike.

If your door is severely damaged, have it fixed or replaced. As always, go with whichever costs less.

You've addressed the living area inside your home. Your front entrance is inviting. Now is the time to take a critical look at your front yard.

CURB APPEAL

Curb appeal (how your home looks from the road) is the most important image of all. You want to make an amazing first impression. A well-prepared house can even catch the eyes of buyers who never intended to visit your home.

Buyers driving by who look at your home should immediately feel as though they want to go inside. This will not happen if you have poor landscaping, a dingy exterior, or an unkempt yard.

Look around your yard and list everything that needs a little work.

- Are your shrubs, trees, flower gardens, and walkways tidy?
- Is there trash or just a general mess in your yard?
- Does everything (front light, garage door, porch rails, etc.) function properly and look its best?
- Could outdoor features, such as patio furniture or the garage door, be updated with a quick coat of paint?

Chances are, you'll have some improvements to do. Take heart: just think of how many people are going to beg to view the inside of your home when they see how beautiful it is from your curb!

This might seem like an overwhelming list, but it takes hard work to get a home ready to sell. Anyone can put a house on the market. Not everyone sells quickly or with great profits.

Thankfully, you now have a big advantage over other sellers.

You know what it takes. Follow these guidelines to gain the best advantage for your home to sell quickly, and for the best price.

POINTS TO REMEMBER:

- Decide whether flooring needs repair, replacement, or special cleaning and care.
- Brighten your home inside and out with new light bulbs. Improve or replace worn fixtures.
- Upgrade worn or outdated doors, knobs, and locks.
- Optimize curb appeal. An initial view of your home should make visitors want to see the inside.

CHAPTER 9

If a Billionaire Sold 'For Sale By Owner'

First, the bad news. There is a good chance the buyer of your home will be a great negotiator. If you don't know anything about negotiating, you risk having them take advantage of you.

Now, the good news. *This book reveals how an average negotiator can avoid being taken advantage of by a better negotiator.*

Two things determine who wins a negotiation:

- The **motivation** of the people negotiating
- The **skill** they have or do not have in negotiating

Here is a story that plays out every day, across America. There is a good chance this could happen to you.

A seller has a home on the market. He is an average negotiator — not great, not horrible.

Unfortunately, he is a *motivated seller*:

- He has had the home on the market for eight months.
- He has already relocated to another city.
- The home and upkeep have been stressing him out.
- He is super busy at work and doesn't have the energy to deal with another problem.

A buyer wants to buy his home. This is the perfect home for her.

She has been looking for a home just like this for a long time. Therefore, the buyer is highly motivated to buy this home. In fact, her husband is scared that if they negotiate too hard, they will lose this house!

This buyer is an incredible negotiator. She's cool and collected. First, she gathers all the facts. She finds out the home hasn't been shown in two months. Then, she finds out the seller has already moved.

She looks up the seller on Facebook and stumbles across a revealing Facebook post. The seller vented about real estate and how badly he wants to sell the house. Now, let's ask ourselves a question.

Who do you think is going to win this negotiation? Yep. The buyer. Both parties are motivated, but one did a better job at negotiating. As a result, she wins! She buys the home for \$43,000 less than the fair market value.

Don't let this happen to you! Later in this book, we'll take a closer look at negotiation. Take time to prepare, and you'll be ready for whatever comes along!

POINTS TO REMEMBER:

- Negotiation outcomes are determined by the *motivation* and *negotiating skills* of the parties involved.

CHAPTER 10

Why Most FSBOs Screw Up Negotiations

Let's start with some negotiating mistakes to avoid. After all, what you *don't do* is going to be more important than what you do! One slip of the tongue can result in a negotiating mistake (and hurt your pocketbook too!).

COMMON NEGOTIATING MISTAKE #1: NOT LEARNING THE OTHER PARTY'S MOTIVATION

Price isn't the only reason people buy. They might really like a certain feature your home has. They might be willing to pay more because of that feature.

Sometimes, they might *absolutely love* that feature. They have been hunting for a while and have finally found a home meeting their needs completely. That means they are willing to pay more for your home.

If you meet the buyers, you should *ask them why they are buying a home*. They might tell you they are being transferred and must find a home by a certain date.

If you know that, you will be able to negotiate a higher sales price. If the buyers have an agent, ask the agent for information. Here are some questions you can ask:

- Why do the buyers like this home?
- Where are they moving from?

- How does this home compare to other homes?

You shouldn't be as blunt as that when you're chatting with the buyers, but you can often find the answers to these questions in a roundabout way.

For example, you could say, "You will love our town because of the X (insert a unique feature of your town). Do they have an X where you live now?"

That will start the conversation about where they are moving from. You can learn a lot from what they say. It will be helpful during the negotiations. You would be amazed at what some people will tell you.

COMMON NEGOTIATING MISTAKE #2: MEETING IN THE MIDDLE

This is the most common mistake novice home sellers make. It's the easiest way to sell your home for \$10,000 less than you should. "Meeting in the middle" is never a good strategy.

The problem is that everyone thinks they have to do it. There is no rule book that says you must meet in the middle.

Here's a story that illustrates this. A home was on the market for \$240,000. The buyers made an offer for \$220,000.

The seller's agent told him to reject the offer and told the buyers' agent they should come back with a better offer. (The house had only been on the market two days.)

The buyers came back and *met in the middle* with a \$230,000 offer. The seller's agent knew they were serious buyers who really wanted the house.

The seller thought the buyers were being good people by meeting in the middle. He was willing to accept their \$230,000 offer. The seller's agent advised him to give a little, maybe counter at \$237,500 to see what happened.

The buyers came back with \$235,000, and, after more negotiations, the buyer and seller agreed on \$237,000. So, what can you take from this?

Don't meet in the middle. Instead, give 10% to 20% and let the other guy give 50%. You'll gain a little more in each round of negotiations.

COMMON NEGOTIATING MISTAKE #3: TALKING TOO MUCH

This is the worst sin of negotiating. Don't tell the buyers or their agent your life's story.

What do you think would pop into buyers' heads if they heard this out of a seller's mouth? "We must sell the home because it is in foreclosure, and if we don't sell it by June 23rd, the bank will foreclose on it."

Immediately they would think, "I wonder what he owes on the house. Because if it doesn't sell, he will have a foreclosure. The seller probably just wants to get what he owes on the home, so he can avoid foreclosure."

This is an extreme example, but it shows you how a simple slip of the tongue could cause a seller to lose a large amount of hard-earned equity. A seller facing foreclosure might be desperate enough to get out with none of their equity, just to avoid foreclosure.

But, what if the buyer would have been willing to pay the market

value for the home? That seller just lost all his equity! When a buyer asks why you are selling, answer without giving away any extra information.

You could say, "Oh, we would like to move to the midwest." (Or whatever place you are moving to.) You don't need to say much more than that. And don't tell them you have a job transfer! Instead, make the timeline sound more casual.

COMMON NEGOTIATING MISTAKE #4: MAKING THE FIRST MOVE

Many buyers will ask what your bottom line is. They know they can usually negotiate a home seller down to an even lower price.

Don't fall for it. You've already made the first move by setting a price for your home. Tell the buyers you need to think it over and get back to them.

Then, ask them what they like about your home. If they tell you, you can determine their motivation to buy your home. After that, ask them what they are thinking of offering.

This rule is important because, in some negotiations, you might offer more at the beginning than the other party is willing to accept.

Here is an example. A person I know was trying to buy some video equipment. He thought the best price he could get was \$1,500, but he was willing to pay up to \$2,000.

He asked the seller what he wanted for the items. The seller responded that he didn't know what he wanted. He offered to pay \$1,500, and the seller accepted it.

Later, the buyer learned that the seller had been desperate and

had expected to be paid only \$800 to \$1,000.

If the seller had mentioned a low opening price first, the buyer would have saved \$500!

COMMON NEGOTIATING MISTAKE #5: LETTING YOUR EGO GET INVOLVED

What is your final goal? You want to sell your property quickly for top dollar, right? Keep that goal in mind during the entire negotiation.

I have seen people kill a potential top dollar sale simply because they didn't like the buyer. Or, the buyer started negotiations with a lowball offer, and the seller got offended. *Most lowball offers can be negotiated to a higher price.*

Some buyers have a big ego and think they are great negotiators, when they aren't. What is their definition of a great negotiator?

Someone with a big ego who tells people off and walks around like they own the world. They think being abrasive and rude will get them a better deal. They throw around "take-it-or-leave-it" offers.

I can tell you from personal experience, most buyers are willing to pay more than their take-it-or-leave-it offer. Keep the negotiations going, even when you're a little unhappy or angry with what they are doing.

I have seen home sellers tell off a buyer who said something rude. That buyer might have bought their house. The buyer actually might be a very nice person. Don't get distracted by petty things. Getting top dollar feels more satisfying than telling them off!

COMMON NEGOTIATING MISTAKE #6:

FAILING TO TAKE TIME ON THE COUNTEROFFER

You will often be pressured to reply right away to an offer. Buyers are impatient, and, if they really like your house, they will want an immediate answer. But do you know what else that means? *They are probably willing to pay more for your property.*

Take the time to think, and consider consulting a real estate expert. Have you been able to find out any information on the buyers? Use that to put yourself in the buyer's shoes. A little space and an objective third party will lead to more effective decision-making.

POINTS TO REMEMBER:

- Try to discover the buyer's motivation, while not talking too much about your motivation to sell.
- Never automatically meet in the middle.
- Don't let your ego interfere with negotiating.
- Avoid making the first move on price.
- Lowball and take-it-or-leave-it offers are rarely firm and can often be negotiated upward.
- Don't be pressured into hasty decisions or counters.

CHAPTER 11

Advanced Negotiating Tactics

Now that you know what mistakes to avoid, here is how to negotiate for the highest price possible.

You've worked yourself senseless updating your home, cleaning it, and creating an appealing abode for buyers to admire.

Next, you get your first viewers. Yes! Now, you're at another "first," with someone making an offer on the property. You suddenly realize you're in a very precarious situation, and you have no idea how to proceed.

Don't sweat it. Realize this is one of the most important financial decisions of your life. I know — I just told you not to sweat it, and then I throw that at you.

Most people don't come into this kind of money more than once or twice in their lives. So, make the very best of your situation, for your future and for your children's futures. The more money you make, the better off you'll be.

I want to see you come away from this deal with fewer debts, a wonderful new home, and some extra cash. While there are times when the offer/counteroffer deal approach works best, there are times when you could come away with thousands more through simple, strategic planning.

Let's explore your options, and then you can choose which is best for you.

NEGOTIATION TECHNIQUE #1:

THE TYPICAL NEGOTIATING APPROACH

You are probably familiar with the way most people approach the buying and selling process. The home is put on the market, and when an interested buyer comes by, they make an offer to the homeowner.

The homeowner will usually make a counteroffer, which can be accepted or rejected by the bidder. Sometimes, this back-and-forth goes on a while. There are pros and cons to this situation.

Pros: One positive to the typical negotiating method is that the transaction is straightforward and easy to understand. It makes the seller seem flexible and willing to work with the buyer's needs.

This strategy can work well for folks who are willing to take lower offers to simply be rid of a home.

Cons: A serious negative to this approach is that once you accept and sign off on the low offer, *your house is off the market*. Let me put that in perspective.

Let's suppose Sally Sue, who checked out your home last week, calls with a much higher bid five minutes after you reluctantly signed off on the low offer. You are now legally bound to put Ms. Sue on hold until you see if your current accepted contract works out.

You could make substantially less money, and there's not a thing you can do about it.

Another con to the standard approach is that you might feel pressured to take lowball offers from deal seekers out of fear nothing better will come along.

If the cons outweigh the pros in your situation, let me ease your mind. You don't have to go through those negatives, because there are many negotiating approaches you can take.

NEGOTIATION TECHNIQUE #2 REJECT AN OFFER, BUT THROW THE BIDDER A BONE

Let's say a buyer loves your property and makes an offer. You are happy they want the home, but you're less than thrilled with their bid.

You wonder whether you should get the deal over with and take what you can get, or hold out for a better offer.

Go ahead and reject their offer. That's right. Take a step most folks have a hard time taking and simply say that one dreaded word, "No."

Saying no sometimes takes you exactly where you want to go. Just don't stop there. Reject their offer, but invite them to resubmit a higher bid. That takes some of the pressure off you. A deal like this can go several ways.

The potential buyers usually won't expect you to take their first bid, and they might be throwing out a lowball offer just to see how far down you're willing to go.

You can send your own little message by rejecting that less-than-desirable offer, but keeping them in the loop.

They'll realize they ventured far too low. If they sincerely want your property, not just a bargain, they will likely come back to you with a much higher bid.

In the event the bidders *really* want your property out of all the

properties available, this procedure can work well.

However, you are likely to lose the deal if this is just a person gobbling up cheap real estate the way some people gobble cookies. While the loss of the first bid might sting at first, in retrospect, it leaves you completely open to better offers in the future.

USEFUL TIPS

- It's most desirable to use this approach when your home has just come on the market or if you have an open house scheduled soon.
- Keep in mind that the instant you accept and sign off on a low contract offer—which could be a real estate vulture on the prowl—you're tied to that contract.

While you and your bidder are working on the accepted contract, you can't accept any other offers. That wastes your valuable time, and could cost you better bids.

NEGOTIATION TECHNIQUE #3: BRING ON THE BIDDING WAR

Did you know there is such a thing as a bidding war? This is usually a carefully crafted situation that can bring the bid on a home above the price the homeowners asked for in the first place. Allow me to explain.

THE PROCESS

- The first thing you do is put your desirable home on the market.
- Ideally, you also schedule an open house for just a few

days later.

- As you put your home on the market, you also put in a disclaimer that you're not going to entertain any bids made on said home until after the completion of the open house.

You're probably thinking, this is ludicrous! How is going through all this trouble going to help you sell your home quickly, and for top dollar? You could be missing out on real bids!

But there's more to this story. Human nature will take over. We've just created a prime situation for competition to abound.

Everyone who sees the home and loves it will want to make a bid. Some competitive players will bid just to see if they can win the prize! They'll know from the start you are potentially getting offers from countless other people.

You have just been set up to take multiple bids at once, and this gives you the freedom to go with the best one.

Potential homeowners who really want your house for their own are going to start bidding high, and they might keep overbidding each other.

In this situation—a bidding war—it is not uncommon for the seller to come away with more than their asking price.

The reality is, you might only get one bid out of the whole shebang. However, the bidder isn't privy to that information. The fact that they could be competing against other offers also works in your favor.

They'll try to make an offer better than everyone else's, because they don't have a clue there is no one else bidding. Who does the

winner turn out to be? You!

**NEGOTIATION TECHNIQUE #4:
AN EXPIRATION DATE FOR EXTRA MOTIVATION**

Remember, once you and the buyer agree to an offer and sign the contract, you are legally bound to see the process through until you and the buyer close the deal or agree to cancel the contract.

However, there is a way you can counteract this problem. You can set yourself up for a higher selling price and a shorter waiting time. To sell your home quickly for the most money possible, *put an expiration date on your counteroffer.*

It means you give your bidder a certain amount of time to either agree or disagree with your terms. This benefits your outcome in a couple of ways.

I encourage you to be reasonable. The last thing you want to do is turn your buyer off by making the timeframe too short, particularly if their current offer isn't far off from your ideal price.

However, feel free to go below the standard time used in your state. If the typical deadline is three days, make yours two.

The potential buyers will know you mean business, but you also recognize this is a life-changing decision for them, as well as for yourself.

There's another reason to expedite these contracts, besides quickly closing a deal or being free to negotiate with other buyers. The longer your home is on the market, the less desirable it appears to potential buyers.

If the deal falls through, you've extended the number of days your home has been on the market. Valuable time has been wasted.

By shortening that time, you shorten your overall number of marketed days if this deal doesn't go through.

**NEGOTIATION TECHNIQUE #5:
PAY THE PIPER, BUT RAISE THE PRICE**

Buyers are increasingly asking sellers to pay their closing costs, which are usually around 3% of the actual price of the home.

I know it makes you shudder to even think of handing out that kind of cash. However, this kind of deal could work to your benefit. I'll explain in the next chapter.

POINTS TO REMEMBER:

- Accepting a low offer locks you into a contract, preventing you from accepting further offers.
- By rejecting a lukewarm offer, you encourage competition and higher bidding.
- Consider rejecting a low offer if your house is newly listed or you're planning an open house soon.
- Refusing to accept bids until after an open house could create a bidding war in your favor.
- Setting an expiration date for your counteroffer encourages a buyer to either complete a quick sale or release you to accept more lucrative offers.

CHAPTER 12

The Crucial Point Sellers Can't Afford to Miss

THE BUYER'S PERSPECTIVE

Let's look at what it means for you to pay a buyer's closing costs from the buyer's perspective. Many home buyers can't afford to come up with those kinds of additional costs.

Often, they are strapped for cash after coming up with the down payment for your home, money for new appliances, moving expenses, and redecoration needs.

YOUR PERSPECTIVE

On the other hand, it isn't fair for you to come up with that much cash so they can buy a home. After all, they not only want you to pay the closing costs but also to come down on your original price.

You should pay those closing costs. Wait! Before you toss this book out of the nearest window, allow me to show you how paying those costs will work for you in the long run.

You should pay the closing costs, but also *increase the price the buyers pay for your home by the same amount.*

If the only thing preventing you from selling your home is the out-of-pocket cost for closing fees, and you can afford those costs, it would be beneficial for you to pay them. You can recoup that money by raising the price on your home by the same

amount.

Buyers might not be able to come up with extra cash for closing costs, but they can often borrow more money with their loan.

Many buyers don't realize that if you pay their closing costs, you are giving up some substantial profit on your home's sale. You should help them realize that fact in your counteroffer.

When the buyer submits an offer that includes you paying the closing costs, counter by agreeing to do so, as long as they agree to the higher price you're proposing for your home.

SHOW ME SOME NUMBERS, PLEASE!

- Let's say, for instance, your asking price is \$250,000.
- Closing costs would be approximately \$7,500.
- Your bidder makes an offer for \$240,000 and additionally asks you to pay the closing costs.
- This means you would be letting your home go for \$17,500 less than you asked for it.
- Counter by agreeing to pay the \$7,500 in closing costs if the bidder is willing to pay the original price of \$250,000 for the property.
- This reduces the amount of your loss to a more reasonable \$7,500.
- The bidder is still getting a deal, and you're getting a fair price.

(These numbers are only approximations.)

Ideally, this approach allows you to get back the money you invested for closing costs as soon as the deal is done. However, there is one major hurdle that could hinder you.

If a bank won't approve a loan for the amount you're asking, you'll have to go back to the drawing board.

In many situations, though, paying closing costs can be a great way to close a deal. It can make the difference in the buyer choosing to go into debt for your home rather than a home down the street.

A FINAL TIP

Here's how to immediately gain the upper hand in any negotiation. If you ever feel you are getting "taken advantage of" in any negotiation, tell the buyer you are changing your mind. Yes, that's right. You are taking your home off the market.

The dynamics of the negotiations will change right away. The buyer will now have to sell you on why you should sell the home to them. In addition, they will have to make a sweet offer to have any chance of you accepting the deal.

I'm not saying you should use this tactic in every negotiation. But this is a very effective strategy when you feel you are losing the negotiation.

If the buyer doesn't buy the house, there is nothing wrong with changing your mind and continuing to try and sell it. Lying, cheating, and stealing are wrong. But changing your mind isn't!

POINTS TO REMEMBER:

- Consider paying the buyer's closing costs, but increase your selling price by the same amount.
- This facilitates the sale for both parties, while ensuring you recoup the added costs.
- If you're being taken advantage of during a negotiation,

you can change your mind and take your home off the market. If necessary, you can relist the property later. Use this tactic only in extreme circumstances.

CHAPTER 13

The Easiest Way to Lose \$36,000 on Your Home Sale

Chuck wanted to sell his home. A real estate agent contacted him and told him that someone wanted to buy it. The buyers were offering \$285,000 and were approved for a loan. “Will you sell your home to them?” the real estate agent asked.

On the surface, it seemed like a great deal. Chuck could sell his home quickly and avoid the inconvenience of the normal selling process. Chuck accepted the \$285,000 offer and moved on with his life.

A few weeks later, Chuck’s neighbor sold his house for \$321,000. The neighbor’s house was slightly smaller than Chuck’s, but otherwise comparable and in similar condition.

Why did Chuck sell his house for \$36,000 less than his neighbor? Why did he work so hard to pay down his mortgage? Why did he work hard to keep his house in tip-top shape, only to sell it for less than it was worth?

Because, unfortunately, Chuck never checked with anyone to find out what his house was *actually worth*. He didn’t get an appraisal or a second opinion from another real estate agent.

Here’s how to avoid having this happen to you. Obtain a second opinion of the value of your home *before you put it on the market*.

If you don’t price your home correctly, you take the risk of:

- Selling your home for less than it's worth
- Wasting time while your home sits on the market because it's not priced correctly

Your objective is to price your home so it sells quickly and for the highest price possible. Each of us probably has a skewed idea of the worth of our home. Either we think it is far more marvelous than it is, or we're so tired of it that we think it is a horrendous cross to bear.

Add to that your hopes and dreams of what to do with your money once you sell, and pricing your own home is a complete danger zone. This is one area where the aid of a real estate agent comes in handy.

DANGER ZONE #1: PRICING BELOW VALUE

It is possible that a home priced too low could eventually aid a seller to start a bidding war, so that the price is driven above what the sellers wanted to make in the first place.

However, conditions must be ripe for this to work. Well-laid and professional plans are also crucial to this maneuver's success.

On the other hand, when a home is priced far below market value, potential buyers might think there is some hidden, ominous fault with the property, even if there isn't.

That kind of mentality can leave a home hung out to dry, which wastes our valuable time. The longer a property stays on the market, the less money you are likely to make.

DANGER ZONE #2: PRICING ABOVE VALUE

Pricing too high obviously leaves your home sitting stagnant while your neighbors' homes are snatched off the market. Why would anyone purchase your home if a very similar home nearby is priced thousands of dollars lower?

Common sense says that your home is not going anywhere anytime soon in this case. You're playing the waiting game, while your peak selling time is slowly dwindling away.

These dangers are why getting an accurate price on your home from the get-go is imperative to your selling for top dollar. There are several ways you can discover this magical number, but it isn't necessarily a simple or cost-free endeavor.

Avoid the most common mistake novice home sellers make. They don't check comparable sales and just put the home on the market. It sounds too simple to be true, but it happens all the time.

At other times, they do not check the highest and best value of the property and sell a prime development property for pennies on the dollar.

One savvy investor bought a prime development property for \$275,000 and re-sold it for more than \$1 million! The original sellers made the mistake of not checking all their options.

MARKET VARIABLES

Understand how different market settings affect how you should price your home. First, you need to determine whether you are in a buyer's or seller's market.

While you're scouting other homes for sale in your area, pay attention to how long they've been on the market.

Sites such as Zillow often have a little section under each home that tells how long it has been for sale in their systems, although not necessarily how long they've been on the market.

If homes in your neighborhood are getting snatched up right and left, you stand a good chance of the same happening for you — if your home is priced right. That's called a seller's market, and you could get more profit from your home's sale.

On the other hand, if the "Home for Sale" signs in your area seem to be growing roots, you are probably in a buyer's market. You might benefit by setting a slightly lower price than your competitors. You might not make as much profit as you would like, but some profit is better than none.

PRICING IN A SELLER'S MARKET

The prices of homes that have already sold don't matter much. Price your home to be competitive with other homes *now on the market*.

For example, a home recently sold that was seemingly \$100,000 overpriced. Comparable homes were selling for \$525,000 to \$550,000. However, home prices in the area were increasing rapidly.

Nothing similar was available for less than \$650,000. The seller owed \$650,000, so they priced the property at \$699,900. And guess what? It sold three months later for \$674,000.

PRICING IN A BUYER'S MARKET

If your local market is a buyer's market, then you should look at all the other homes for sale and make sure your home is priced competitively with them.

If your home is not selling, then you will need to adjust the price until it sells. A real estate agent can help you determine the minimum price change needed for a sale.

DETERMINING EXACT VALUE

There's more than one way to find out the value of your home. You can use the following method by itself. However, a combination of some of these suggestions will likely give you the best pricing direction.

Hire an appraiser: One way to get an accurate valuation is by consulting a professional. Many appraisers charge hundreds of dollars to give you a reasonably accurate home price estimate.

Let me help you: Do you know there is a simple way that is 100% free? As a real estate agent, I have access to the same information. I'd be happy to put together a Comparative Market Analysis (CMA) for your home!

The CMA will provide you with the following information:

- Detailed information on each house sold in your area over the last six months, along with *final sale prices*. If you are thinking of selling, this will help you price your home realistically.
- Detailed information on all houses for sale in your area and their *asking prices*. These homes are your competition.

Skip ahead to the end of this book if you would like more information on how to request a free home valuation.

Do your own homework: There is a free way of getting a decent valuation of your home, but it is risky and time-consuming.

You can use the internet to scout other homes for sale in your area, and narrow them down to those that are similar to yours. The prices on these homes can give you a good benchmark for setting your own price.

FINDING COMPARABLES

How do you find accurate, comparable sales and use them to determine your home's exact value? Search internet sites such as Zillow or Realtor.com. To search for homes like yours, enter criteria such as square footage or number of bedrooms.

The key to finding accurate comparable sales is to find the properties that are closest in location, condition, square footage, features, etc.

How do you determine which comparable sales you should use and which to ignore? The following comparable sales should *not* be used. Very few of these properties sell for a fair value.

Bank Owned/REO Properties: Banks always sell their homes for less than they are worth.

The average bank owned home in today's market is selling for 5% to 10% less than its fair value. This is true even for homes that are in good shape.

Short Sales: Buyers and their agents hate short sales because they are tricky and unreliable. A buyer will often fall in love with a short-sale home, only to find out the banks won't approve the short sale.

Agents do not like to show them for the same reasons. As a result, the pool of buyers for a short sale is much smaller than for a regular listing.

Ugly Homes: These are homes that are unappealing and aren't kept up. People buy homes because of emotion. Logic doesn't always apply. As a result, a well-maintained home will sell for more money.

We have seen well-maintained homes sell for 10% to 15% more than an unappealing home. We have seen professionally staged homes sell for 20% more than an unstaged property.

Yes, the condition of a home counts. Don't use an ugly, outdated home as a comparable.

IT'S ALL IN THE TIMING

Timing is a slippery slope. If you take too much time with a sale, holding out for the perfect offer, you're probably doing yourself a disservice.

Buyers probably will notice your home just sitting there and will offer lower prices. Market statistics suggest that the first offer is most often the highest.

Conversely, if you need to sell quickly, you don't have as much wiggle room when it comes to negotiating. You need to get out of the home, and you're limited to taking whatever bids are thrown at you.

SEASONAL ISSUES

Usually, the best seasons to put a house on the market are spring and fall. Keep this in mind as you prepare your home for sale. If timing allows, focus on your next hot season to begin the marketing process.

A LITTLE NUDGE

Sellers often reach a point where they're desperate to get this selling business over with, and yet, there are no takers. Give your prospective buyers a little nudge. Make them feel as if they're getting the deal of a lifetime!

Everyone loves a bargain. There are several ways you could use this psychological tendency to your advantage.

- Offer an allowance for decorating, new appliances, or landscaping. Look at the flaws of your home, and instead of trying to correct them with *more* improvements, correct them with money. Buyers love being able to pick out all their own, new stuff.
- Consider paying for a home warranty. They're not astronomically expensive—usually a few hundred bucks—and they give a new homeowner peace of mind to buy your used home.
- Consider paying the closing costs. If you can sell your house quickly, you'll benefit tremendously. Remember, the longer your home sits on the market, the less you're going to make anyway — and you can recoup closing costs in the price of your home.

POINTS TO REMEMBER:

- Not checking comparable homes on the market can result in a costly mistake of setting the wrong price.
- Incorrect pricing can result in wasted time and selling your home for less than it's worth.
- Market conditions affect price. Learn whether you're in a buyer's market or seller's market.
- Online sources such as Zillow provide useful market and

pricing information.

- An appraiser or real estate agent can help you determine an accurate price.
- Bank owned/REO properties, short sales, and “ugly homes” are not useful for price benchmarking.
- Try sales incentives, such as decorating allowances, home warranties, or offering to pay closing costs.

CHAPTER 14

Why Homes Don't Sell

Are you the victim of a common mistake that stops your home from selling? What else can you be doing to ensure your home will sell?

Coming up, you'll discover the biggest mistake agents make, a proven marketing secret, and how to "sweeten the deal" for buyers.

GREAT PHOTOS ARE A MUST

Most agents don't invest the time or energy to get decent pictures. They show up with their point-and-shoot camera, take a few shots, and call it good enough.

Good photographers know what to do to make their subject look its absolute best. Whether it's a cute puppy, a newly married couple, or a home for sale, professional pictures are a necessity.

You must view your house from a buyer's perspective. Even if you don't hire a photographer, at least get someone to touch up the pictures and make them look their best.

SWEETENING THE DEAL

What can you do to sweeten the deal for the buyer? Everyone is looking for a deal. If people think they are getting a bargain, they are going to hear that little voice inside their head saying, "Do it! Don't pass it up!"

Marketers have used this method for centuries because it works.

If you want to convince someone to buy your home, offer them something no one else is offering. Even something that seems insignificant to you could close the deal for the buyer.

For example, an agent had been trying to sell a home for almost a year and was ready to give up. He had come very close to selling the house at one point, but the deal fell through.

Getting people interested in the home was not a problem. Buyers were looking at a lot of homes in the neighborhood. This listing was one of the nicer ones in that area. *That was a problem.*

Yes, the house was nice, but so were a few other houses in the neighborhood, and this house was priced above the others. The agent could not close a deal on this house because everyone would eventually turn their interest to one of those other homes.

Fortunately, he talked the owner into “sweetening the deal.” He needed something that would make the house stand out—an incentive to buy this house instead of the ones that were almost just as nice down the street. Finally, the owner agreed to give it a try.

The following week, new buyers came to look at the house. As usual, they planned to visit other houses in the area after this one.

So, before they moved on, the agent told them he had something special to share. Based on his agreement with the owner, he told them *the owner had agreed to pre-pay the entire first year of property taxes!* That is a sweet deal in any sale.

The buyers came back later that day and wanted to buy the house! All it took was a little incentive to make one house stand out from similar homes in the area.

See the power of a good incentive? It doesn't have to be much,

and it doesn't have to be a discount on property taxes. You could include free cleaning or lawn care or pest control services.

The list goes on and on, and the only limit is your creativity. Put yourself in your buyer's shoes and ask yourself what kind of “deal” you would like to get when buying a home. Be ready before the first buyers come. If they show interest, it might be the right time to sweeten the deal with one of your incentives.

POINTS TO REMEMBER:

- Unprofessional pictures display your home poorly.
- Visualize your home from the buyer's perspective.
- If necessary, sweeten the deal with an incentive, such as prepaying property taxes or providing free cleaning, lawn care, or pest control.

CHAPTER 15

Preparing to Market

STEP 1: PREPARING TO PUT YOUR HOME ON THE MARKET

There are several steps you need to take to prepare your property for showing. This is time-consuming, so give yourself room between deciding to sell and putting a sign out front.

Prepare for lots of paperwork. One of the first steps is getting all the appropriate paperwork in order. The list is extensive. Requirements often vary by state and by county. Check with a local real estate agent to find out exactly what you need.

Of course, I am always at your disposal and can help you sort out what you need for all my surrounding areas. Just give me a ring, and I'll help you out.

Dig out your title insurance policy. Be prepared to provide proof of your title insurance. Most mortgage companies require that you present this before loan approval can be made, so have it within arm's reach *before* you nail down a buyer.

Title insurance can be tricky, and a professional must handle the whole situation. Customs regarding who pays for title insurance differ across the nation.

You might recall hiring someone to “search your deed” when you originally bought your home. No doubt you bought title insurance at that time, although you might not have been aware that was what you were doing. It guarantees that the deed to your property was searched from the present back to its US patent. The

insurance is protection against human error because mistakes do happen. The process will have to be repeated with your current sale, but it's helpful to have your prior paperwork handy.

Surveys are sometimes required. Some states require a mortgage survey if the home buyer is using a mortgage loan to purchase a property. This guarantees the property is "as is" and should be without any encroachments.

An example of an encroachment might be a neighbor whose garage overlaps the boundary of your property, or a fence you inadvertently erected on your neighbor's land. All improvements also will be noted on this survey.

Many states also require that the boundary of the land be surveyed. Make sure you check with a professional to find out exactly what your specific laws require.

Some states demand disclosure statements. It isn't uncommon for states to mandate that a seller provide potential buyers with certain disclosures about the property being sold. Natural hazards, pest control, and lead paint are just a few samples of common disclosures. An attorney or a qualified real estate agent, such as myself, can help you determine specifically what is needed.

A pre-inspection report is recommended. Usually, sellers aren't required to have a pre-inspection performed, but it's a good idea. A mortgage lender will probably require certain inspections before offering the buyer money to purchase your property.

If some part of your home doesn't pass inspection, it could delay or even doom your sale. If you pony up the cash to get a pre-inspection done, you'll have every opportunity to make repairs yourself, before the future mortgage company finds out about the problems.

You could also choose to make allowances in your asking price for the repair of any faults discovered after the home is out of your hands. Another route you could take is selling the home "as is," but that's a whole other ballgame.

It really can't be emphasized enough that you need to *check with a professional* before assuming anything. The rules for these sorts of circumstances vary too widely from location to location for you to leave anything to chance. The last thing you want is to have legal repercussions from this sale hounding you years from now.

A home warranty is a great idea. A home warranty is becoming a more important incentive to prospective home buyers. These warranties are purchased by you, the seller, at the close of your property. A basic package is usually below \$500 and guarantees many of your home's features for a year. These could include major appliances, electrical, plumbing, and heating and air systems, among other things.

Make sure you research and understand what you're paying for because there are all sorts of home warranty packages available. Having the one you've chosen on hand while showing your property can put your potential buyers at ease.

STEP 2: MARKETING YOUR HOME

Marketing isn't easy, and it isn't necessarily cheap. You probably chose to sell FSBO to save yourself money, so you're going to want to strongly consider your marketing strategy.

There are all kinds of tools at your disposal, from the traditional signage to information packets to internet listings. Set a budget for your marketing, and stick to it.

This is where a real estate agent comes in handy. You might be

very surprised at how much time, money, and effort it takes to make effective marketing happen.

Old-fashioned newspaper ads. Sometimes, the old tried-and-true methods still work, and newspaper ads do. Usually, a classified ad is priced based on the number of lines or words published. There are extra charges for photos and special lettering, such as bold and italics, so get to the point quickly in your ad, but include enough insight to hook prospective buyers. Avoid too many abbreviations, which can be confusing.

You're going to want to include:

- price
- number of bedrooms and bathrooms
- street address
- square feet
- special features, such as hardwood floors or a finished attic

When you're ready to place your ad, ask your local newspaper when most other real estate ads run. Most often, this will be on weekends.

Aim for the same time frame for your ad. Most home buyers will know when the real estate ad sections run, and that is when they'll be looking.

Keep in mind that placing this kind of ad can be tricky.

Federal fair housing laws are strict, and anything that could be considered discriminatory is dangerous—even if you mean nothing harmful by it. Nothing in your ad should even allude to discrimination against potential buyers based on:

- religion
- race
- national origin
- familial status
- disabilities
- any number of other factors

Check out more information on this at the US Department of Housing and Urban Development site at HUD.gov.

Get a high-quality sign. You absolutely need a high-quality sign for your yard. Although many people go to the internet for their first-stop home shopping these days, a sign lets potential buyers know they've found the right place when hunting for your property. Some folks still take the time to drive around and search out homes they find appealing, and they find them by the signs (and curb appeal!).

Your sign should not be poster paper scrawled on with a Sharpie and stapled to a tomato stake! This is not an effective way to woo a buyer willing to pay anything near your asking price. You want your sign to lend a professional, well-groomed appearance that works well with your curb appeal. Make sure your phone number and other vital information are clearly visible from the road.

You might find it advantageous to add a box or tube to your sign for fliers with more information on your home. Keep these fliers handy, because you're likely to run out more than once. Before you construct any signs rivaling a billboard, check out any signage restrictions in your community.

Using listing services and internet ads. Even if you aren't a computer guru, you can likely handle posting your home with various online listing services.

Often, you get more space for details at a cheaper price than with printed publications. Many sites are available to help you market your home for sale. A qualified real estate agent will know precisely which ones to choose for your home and for the area in which you live.

You can go with the freebies, such as Craigslist and Facebook, but beware of scammers. There are also places such as Zillow, Trulia, and [Realtor.com](https://www.realtor.com) that will advertise your home for a fee.

Programs that add your home to the Multiple Listing Service (MLS) sometimes offer additional help with things such as paperwork and pricing. Of course, those services cost extra.

Compiling information packets. Often overlooked, information packets can really help when you want potential buyers to remember your wonderful home more than anyone else's.

Most folks looking to buy a home take a peek at more than one place before settling on their favorite. Providing them with an information packet, loaded with photos and details about your property, helps them remember your home.

POINTS TO REMEMBER:

- Keep your title insurance policy handy.
- Be prepared for possible requirements, such as land surveys, mortgage surveys, and disclosure statements. Requirements vary by locality.
- Consider getting a pre-inspection report.
- A home warranty offers inexpensive protection and can help woo buyers.
- Consider marketing tools such as newspaper ads, a high-quality sign, internet ads, and sites that add your home to

the Multiple Listing Service.

- Avoid discriminatory language in advertising.
- Have fliers and information packets available.

CHAPTER 16

All You Need to Know to Show Your Home

STEP 3: SHOWING YOUR HOME

At last, you can reap the rewards of your marketing work. People begin to call and ask questions about your property.

You need to answer their questions honestly, while also getting a feel for whether they're just browsing or seriously interested in buying. When it feels right, invite them to come by and take a look.

When sellers choose to work with a real estate agent, the agent usually provides 24-hour notice when someone wants to look at the home. FSBOs have more leeway with scheduling, but there are a couple of things to consider before penciling in a showing for three days from now.

Have you ever heard the saying, "Get it while the getting is good?" Your callers might be very interested in looking at your house today, but in three days' time, they could very well have been tempted by another property.

Don't be surprised to find yourself sitting in your living room, talking by phone to a prospective buyer, who turns out to be *right outside in your driveway!*

Once you ask if he'd like to come by and look, you'll have a hard time explaining that he needs to wait until another day.

Keep your house in top-notch shape so that interested folks can come by anytime without you suffering embarrassment or jeopardizing a sale.

If you are welcoming buyers' agents to show your home, invest in a lockbox. This will allow you to leave the premises while the agents show your home, and will give them a secure way to enter.

STEP 4: HOSTING AN OPEN HOUSE

Your most successful open houses will likely be on weekends between noon and 5:00 p.m. To draw an adequate number of viewers, publicize it like mad. Put out plenty of high-quality signs for people searching for your home to follow. As guests arrive, give the grand tour of your home while focusing on its most unique features.

YOUR OPEN HOUSE CHECKLIST

Sign-In Sheets or Apps: This is very handy for knowing who came to your home, how to contact them, and whether they're working with an agent. Keep several sheets near your entrance with plenty of pens, and ask each visitor to sign in. You can also use a tablet to collect information.

Information on Sales Price: Hire a real estate agent to work up your CMA, or do the research on similar homes in your area. Have this information handy *in writing* so that you can justify your sale price if necessary.

Give the Kids a Vacation: Everyone loves their kids, but an open house isn't the best place for them. It can be overwhelming for the little ones to think of selling their home, and they may cause a fuss. Some buyers find the patter of little feet distracting. Take the kids to a sitter, such as Grandma or a trusted neighbor, for the day. This also will help you focus on the open house.

Preparation is Essential: You'll have to answer many questions during an open house. Think about the potential ones beforehand and be prepared. What would you want to know about a property if you were considering purchasing it? If you don't know the answer to one of these questions, find it before you open your doors to the public. Common question topics are:

- shopping opportunities
- school information
- parks and walkability
- various services (recycling, trash pickup, etc.)
- utility costs
- taxes
- examples of financing options

Touch Base Later: After the open house is over and you can breathe again, you'll be glad you had sign-in sheets. Contact each visitor to see if they're truly interested in your property. Find out what they thought of your place. Don't be offended by critical answers. Use this valuable information to improve your home before more viewers come by.

When following up, try to gauge whether folks who are interested in your home are capable of buying it. Without enough purchasing power, buying is a lost cause. For this reason, consider qualifying your prospective buyers.

POINTS TO REMEMBER:

- Potential buyers might expect to visit your home on short notice and at inconvenient times.
- A lockbox enables agents and their clients to visit when you're away.

Keep your house in top-notch shape so that interested folks can come by anytime without you suffering embarrassment or jeopardizing a sale.

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When following up, try to gauge whether folks who are interested in your home are capable of buying it. Without enough purchasing power, buying is a lost cause. For this reason, consider qualifying your prospective buyers.

POINTS TO REMEMBER:

- Potential buyers might expect to visit your home on short notice and at inconvenient times.
- A lockbox enables agents and their clients to visit when you're away.

- Weekend afternoons are ideal for open houses.
- Provide information packets and sign-in sheets.
- Consider having children visit a trusted friend or relative during the open house.
- Anticipate the many questions visitors might ask.
- Use your sign-up sheets to follow up with visitors. Identify serious buyers and learn what they thought.

CHAPTER 17

How to Close Effectively

STEP 5: NEGOTIATIONS WITH THE BUYER

At long last, you have received an offer on your home! Congratulations! Now, how do you handle the negotiations? Without a trusted real estate agent to guide you, negotiations can be very frightening, and they should be! Let's see what I can do to help.

When you begin negotiations, you might get a verbal or written offer, and that's fine. However, insist that the verbal offer be put into writing immediately, for your legal protection.

Standard real estate purchase agreements are usually available at the local real estate association or the local bar association. You might also be able to purchase them in certain bookstores or office supply shops. Have some on hand as soon as you start showing your home.

You don't have to accept an offer as it comes, although that is an option for you. You can reject it outright, or make a counteroffer. Entering into a contract is scary.

That's probably one of the biggest reasons sellers end up hiring a real estate agent. However, if you're a little queasy about the situation, but are still committed to FSBO, you can always include a little addendum to your contract that says, "Contingent on the approval of my attorney."

Yes, you need an attorney, who will likely make up the offer

and final contract. Don't be surprised if you have to make a counteroffer, because there is an excellent chance that you will.

It isn't always the selling price that requires negotiations. Other reasons could be disagreements on precisely what will go with the property, contingencies, closing and move-in dates, as well as which party is responsible for the payment of closing costs.

You need to be fair to yourself and your buyer throughout the negotiation. Everything—and I mean *everything*—must be in writing. You can withdraw your counteroffer at any time before the buyer accepts it. The same goes for the buyer withdrawing their offer before you accept. I highly advise that you seek out a professional at this point because negotiations can be very complicated.

STEP 6: THE CLOSING PROCESS

Hallelujah! You've worked through negotiations with your buyer. All the i's have been dotted and all the t's have been crossed on your legally binding contract. Get ready to close.

This part, you absolutely cannot do alone. You'll need to hire a lawyer, an escrow holder, or a title company to function as your closing agent. Depending on your needs, and those of your buyer, you will likely close in 30, 45, or 60 days.

Using an escrow holder.

Often, contracts in real estate require an escrow holder. The escrow holder is a third party that is impartial to the outcome of the transaction.

Buyers and sellers both are protected with this arrangement. Legal protection is allowed for everyone involved in the transaction during the closing process.

Usually, the escrow holder handles each of the necessary steps throughout the closing. Keep in mind that there are alternatives to an escrow holder, depending on the location in which you live.

Using an attorney.

Real estate laws vary by location. Many necessitate the use of a lawyer during these transactions, and this is especially true along the East coast.

The attorney in these cases takes on the role of the escrow holder. However, it's advisable for a seller to utilize an attorney throughout the closing process, whether required or not. An attorney can often handle questions and concerns that others cannot.

Using a title company.

Title companies can provide title insurance and often have access to your escrow and closing needs. You need to have a clear understanding of what your state specifically requires of you, before hiring any providers to aid in the closing of your property.

Your work isn't finished yet. In fact, you're just getting started. Keep these three things in the forefront of your mind, and your closing should go smoothly.

1. Your buyer must get their loan approval.
2. You must meet all the expectations of the buyer's lender. This could include an appraisal, title insurance, surveys, and title inspection. Remember, this changes from location to location and by lender.
3. The inspections come next. Hopefully, you've already done a pre-inspection and the ones required by the

bank will run smoothly.

AFTER THE OFFER IS ACCEPTED

There are several hurdles to cross before the closing. You need to keep up with all the details that are swirling around you at this point and keep everything on schedule.

1. The Loan Application:

If this is a cash sale, then skip to #3; otherwise, the buyer will initiate the loan application, usually within three to five days after the contract is fully negotiated and signed.

2. Credit Report:

Although a simple “online” credit report may have been performed already on the buyer, the lender will order a special “home mortgage credit report,” which derives data from several sources.

If there are any problems, your agent will be notified. Some credit problems can be worked with, while others can't. It usually takes anywhere from five to 10 days to obtain a home mortgage credit report.

3. Inspections:

If the buyer used an “inspection contingency clause,” which usually provides for either a 10- or 15-day inspection period, an appointment will be made either with you or your agent for the home inspection service to perform the inspection.

The inspection process usually takes two to three hours, and the buyer may accompany the inspector. The home inspector will

bring a bag of many gadgets and will inspect everything from the roof to the electric circuit box.

4. Inspection Results:

The inspection report is usually delivered to the buyer or their agent within a day or two after the inspection. The buyer will examine the report and will either

- (1) Accept the premises “as is” and proceed with the sale,
- (2) Accept the property with a condition that certain item(s) be taken care of in order to continue with the sale. Sometimes, the items on the buyer’s “punch list” may exceed the liability as negotiated in the contract.

If this happens, then you have a right to negotiate only to do your share, or you may elect to do all the repairs, especially if they are repairs that would need to be done anyway just to sell your home. Sometimes, items might be listed that are not normally the seller’s responsibility, such as cosmetic items.

- (3) The buyer may elect to terminate the agreement because of the inspection results. The buyer has that right if the standard inspection contingency clause was used.

In most cases, some negotiating will go on after the inspection report is submitted. In some cases, the inspector may state that something is not working properly, when, in fact, it is.

You have the right to hire your own professional to dispute the home inspector’s findings. This sometimes occurs because the home inspector is a *general inspector* and is just trying to cover his or her liabilities.

Sometimes, the home inspector states that there is a possible

problem and recommends that a professional be consulted (heating/AC, roofers, etc.). In this case, the buyer may add to their punch list to have the heating/AC or roof checked by a professional.

5. Appraisal:

If your contract has an appraisal contingency or loan contingency, an appraisal will be performed. The appraiser will call either you or your agent for an appointment. He or she will come to your home and do some measurements, take pictures and notes, and go back to the office to write it up.

Depending on the type of loan, the appraiser may also do a minimum home inspection, which includes a visual inspection of the roof and flipping switches on to see if major appliances work.

Usually, it takes about 10 days from the date the appraisal was ordered to its completion. If your home appraises lower than the contract amount, there may be some renegotiations, or the buyer may even back out of the deal, unless an adjustment is made.

6. Loan Approval:

After the appraisal — and after all the paperwork required to verify the buyer's ability to pay the mortgage is completed — the "loan package" is sent to the underwriter.

Most of the underwriters are out of town. This process usually takes three to five days. Some of the lenders are doing point-of-contact underwriting by way of computer. It is not unusual for this step to take place within the last week before the closing date.

7. Title Work:

Normally, the seller is providing title insurance for the buyer. If

you have not done so already, your closing agent will bring or fax copies of the contract to the title agent or attorney.

For a cash sale, the title work is usually ordered just after the contract is negotiated. If this sale is contingent on financing, then usually the title work will be held up, pending credit report, inspections, and appraisal steps being satisfied.

Your agent will normally keep in touch with the title company or attorney and advise them of the buyer's loan progress.

The title agent or attorney also handles all the arrangements with your mortgage holder(s), regarding the final payoffs. You don't need to do anything.

8. Survey:

After the loan is approved, or earlier at the discretion of the loan officer, the survey is ordered by the buyer, their agent, or their lender. This usually does not occur until the last 10 days of the process.

It usually takes place on the morning of the closing. It is not necessary for you to be home for the survey, because they do not need to come into your home. The only evidence of the survey having been done is the classic wood stakes with red or orange ribbon at the corners of your property.

9. Pest Inspection:

The "termite" inspection is an inspection of all wood-destroying organisms, including but not limited to dry wood and subterranean termites, wood-boring beetles, carpenter ants, and wood rot caused by wet rot or by fungi.

The pest inspection paperwork, called the WDO, cannot be more

than 30 days old. If the sale is contingent on financing, the inspection is usually not ordered until there is a full loan approval.

However, if the loan approval is imminent, but not official, within the final week before the closing date, then it might be wise to order it anyway.

Your closing agent will advise you on this. If you have an active termite contract, then you should call that termite company to set up the inspection.

If you do not have a termite contract, then you and your agent will discuss selection of a company to do the inspection, and either one of you may make the phone call.

You will need to be home for the inspection. If you cannot be there, your agent may be able to help coordinate the inspection on your behalf. When you call to make the inspection appointment, be sure to inform the inspector that the purpose of the inspection is for a real estate sale.

10. Pest Inspection Results:

The termite company will either give you the written report at the time of inspection, or they may deliver or mail it to you or your agent. It is very important that your agent get the original inspection report as soon as possible.

If you ordered the report yourself, please advise your agent by whom and when the inspection is being performed, so your agent can follow up on the paperwork. Copies must be faxed or delivered to all parties concerned, including the lender, closing agent, and the buyer or buyer's agent.

Negative Reports: Occasionally a negative report is received

indicating that a *termite infestation* has been found, or worse than that, a *wood-boring beetle infestation*. Your contract may cover only certain types of pests.

If you have a subterranean termite infestation, then a ground treatment is done, which might involve boring holes in the slab. If you have a dry wood or boring beetle infestation, then your home may have to be tented. This can run over \$1,000.

Damage: If damage is indicated, then the lender or buyer might need to examine the damage before repairs are performed. This is their right. If repairs exceed your liability, you have the right to cancel the deal. However, you will still need to do the repairs for the next buyer, and all negative reports must be disclosed to all future potential buyers. This is the law.

Wood Rot: If the property is cited for wood decay (and expect this to happen in at least 50% of all deals), then the lender will either require that the repairs be done, or they may send out an inspector to determine whether the wood decay has caused any structural damage.

If the inspection determines the wood rot to be cosmetic only, then you might not have to do anything about it. Most wood decay problems are not very expensive to correct.

After treatment and/or repairs are done, the lender may require another inspection by the pest company or by their own inspector.

11. Moving Logistics:

If you have not done so already, within the last 10 days before the scheduled closing date, you should notify your power, phone, gas, and cable companies — and any other utilities you might have — that you will be terminating service for the day of closing.

If you are moving out before the closing date, leave your utilities on until the day of closing. This is important, in case repairs are required, for pest treatment, and for final inspections and walk-through.

Don't forget to cancel any other services associated with the home, such as water softener service, pool maintenance, lawn maintenance, satellite and Wi-Fi service, security dial-up service, your homeowner's insurance, etc.

12. Occupancy Logistics:

Unless your contract specified a date different than the closing date for the buyer to take occupancy, you will be expected to turn over the keys to the buyer at the closing.

If you or the buyer desires a different arrangement, this must be negotiated between yourself and the buyer. If you anticipate a logistical problem in turning over the keys to the buyer at the closing, make a request for a deviation as quickly as possible.

If the buyer is also selling their home on the same date, there may also be a logistics problem with the buyer, making it impossible for the buyer to deviate. Due to many liabilities, it is advisable to make a clean break at the time of closing.

Even though there is always a slight possibility of the deal not closing until you are actually sitting at the closing table, you should proceed to make the necessary arrangements to comply with the occupancy as specified in the contract.

13. Final Walk-through:

Usually within 24–48 hours before closing, the buyer, along with their agent, will do their final walk-through to verify that all

repairs (if any) have been finished, and to make sure that what they contracted for is still in the same condition.

If there are any problems, your agent will be notified. Most problems should have been ironed out by now, but if the walk-through results in a nonacceptance by the buyer, there might be some renegotiation.

POINTS TO REMEMBER:

- Negotiations can involve many details besides price.
- After accepting a buyer's offer, expect additional hurdles, including the buyer's loan application, credit report, and various inspections.
- Real estate contracts often require an escrow holder.
- Consider using an attorney, even when not required.
- Normally, the seller provides title insurance for the buyer. Title companies provide title insurance and often have access to escrow and closing services.
- Real estate transactions are complex and risky. There is no substitute for professional advice.

CHAPTER 18

Once You've Sold Your Home

STEP 7: THE CLOSING

You should arrive at the closing at least 10 minutes before the scheduled time. Most title companies allow an hour for each closing, and they try to keep to their schedule.

A cash sale closing usually only takes 10–15 minutes, whereas a closing with a new loan usually takes about 45 minutes. If there are problems or paper mistakes, it can take longer. The closing agent will collect and disperse all money.

You should receive a check at the end of the closing for your net proceeds. In rare cases, it may be several hours later before the closing agent can disperse your money.

During the closing, you will meet with your buyer and other necessary parties, such as your attorney, to transfer ownership of your property. Sometimes, closing is also referred to as a settlement.

All paperwork is signed, agreements completed, and details finalized at the closing. Where and how your closing will take place depends on customs and practices used where you live.

The closing often takes place at the closing agent's office. Make sure to stay in touch with this agent to be 100% certain that your sale doesn't get off track. There shouldn't be any surprises at the closing.

All expected costs should already have been covered and put

into writing between you and the buyer. The following items are commonly paid for by sellers at closing, although this is not set in stone.

- title insurance
- escrow or attorney's fee
- transfer tax
- survey costs
- home warranty fee
- mortgage payoff
- outstanding utility bills
- recording fee
- inspection costs
- buyer's agent commission

STEP 8: MOVING

The closing is usually the time when the buyer takes possession of the property, so you need to be out of the home by then.

There are situations where a rental agreement is set up between the buyer and seller. However, it's far less complicated if you tackle the packing and moving process before closing. Keep the following in mind as you do so.

Where You Currently Reside

- Provide a forwarding address to your post office.
- Don't forget to give friends, family, and acquaintances your current contact information.
- Submit changes of address for your magazine subscriptions, credit cards, etc.

Insurance and Banking

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- Order new checks and transfer money if you switch banks.
- Make sure all insurance companies have your new address (auto, life, fire, and health).
- Get a cashier's check for closing, if necessary.
- Obtain credit references.

Health and Prescriptions

- Get referrals for a new physician from your current doctor.
- Have your prescriptions transferred.
- Get your family's medical and dental records.

Utilities

Take care of both the connection at your new home and disconnection at your old one:

- electric
- propane/oil
- water/sewer
- trash removal
- cable
- home phone
- internet

Organizations: Religious, Education, Civic

- Move membership.
- Move registrations and records.
- Request introduction letters.

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Pets

- Make transportation arrangements.
- Check into licenses, tags, vaccinations, etc.

Things to Remember

- Clean out the fridge.
- Defrost the freezer.
- Clean and wrap rugs.
- Service appliances.
- Ask about insurance coverage with your moving company.

Moving Day

- Keep important documents and expensive jewelry with you, or send through registered mail.
- Use traveler's checks and/or cash while moving.
- Contact a family member or friend with your moving schedule and planned route.
- Leave any extra house keys with the buyer, real estate agent, or a trusted neighbor.
- Notify buyer of any extra key's placement immediately.

At Your New Home

- Make sure that pilot lights are lit on the hot water heater, furnace, stove, and incinerator.
- Make sure all utilities function properly.
- Check appliances for proper functioning.
- Retrieve any held mail from your new postal worker.

- Fill out a voter's registration card.
- Change the address on your driver's license, or get a new one.
- Register your vehicles.

Would you like a professional's help with all the items on this list? If you said "yes," I can handle all the real estate transaction items I described in this chapter and the entire book.

Here is what will happen after you contact us. We will come out, look at your home, and show you how we can do all of this for you. Best of all, it won't cost you anything. In fact, many sellers actually *make money* hiring a real estate agent to sell their home. Is that true of every listing, every time? No, but that is the case more often than not. A skilled agent will likely sell your home for more money than you could sell it for on your own.

As an added benefit, having a professional to take responsibility for the important steps along the way can save you an immeasurable amount of time and headaches!

POINTS TO REMEMBER:

- Arrive at your closing 10 minutes early. Cash sales close quickly. Sales requiring new loans often close in 45 minutes, depending on complications. Usually, the seller receives a check at the end.
- Use the lists provided in this chapter to make sure you address all details of closing and moving.
- If you find the sales and closing processes intimidating, contact the author for a free consultation.

CHAPTER 19

What Has to Be Disclosed When Selling a Home

It's important to know that you can't polish out every imperfection in your home. Some problems cannot and should not be taken away by a little bit of elbow grease.

Many states now require the seller of a property to offer written disclosures about any unseen problems affecting the property and the neighborhood. Once you have a potential buyer, you are obligated to disclose any major problems that might affect the property's value.

It seems counterproductive to tell a potential buyer things that are wrong with your home, especially so close to the sale, but this transparency will create a stronger, more trustworthy relationship with the buyer. It also will keep you out of potential litigation or, in some serious cases, criminal charges in the future.

Disclosing negative items actually helps you sell your home. Here is a story that proves the point.

A friend of mine was selling a truck that was about 20 years old. He showed it to the prospective buyer. The truck was in good shape, for a vehicle with 200,000 miles on it, — but it had a few problems.

The seller did not want to have to worry about the buyer complaining after the sale—even if that meant not selling the truck.

As soon as he met the buyer, my friend immediately showed him all the things wrong with the truck.

“The passenger door window doesn’t roll up or down,” he said. “Look at the driver’s side door. The hinge is a little weird, and it doesn’t always shut completely.

“When you accelerate, you have to keep steady pressure on the accelerator. Otherwise, the truck may jump out of gear and then kick back into gear.

“The entire truck will jerk forward. It’s kind of hard on the transmission when it does that.”

The buyer ate it up! He bought it on the spot. He knew that most 20-year-old trucks have problems. He also figured that a seller who was so upfront about the problems wouldn’t be hiding any problems from him.

Furthermore, my friend was selling it for 30% more than the fair price he had paid a used car dealer just a year before. He had done some work on the truck, but it was still no bargain.

This same strategy works for selling a home. Most buyers are not stupid. They know if they buy an older home, it will have some problems. The more forthcoming you are about those potential problems, the more relaxed they will become about buying your house.

If you see something, say something. Most states don’t compel you to discuss issues, if you have no knowledge of them. Don’t run out and hire an inspector to nit-pick every little detail of your home and find problems that might not even affect property value.

The problems you must report are the ones that are obvious:

leaky pipes, rotting wood, basement flooding—basically anything about your property that has bothered you and that you know will bother the new residents.

However, you can’t be cavalier about the unknown issues. In some scenarios, turning a blind eye could get you in hot water. Depending on the state in which you’re selling your house, you could be held responsible for not *discovering* unknown potential problems.

Educate yourself about the specific disclosures your state requires. To get an idea of what you might be up against, let’s look at the regulations in California, one of the most stringent disclosure reporting states in the nation.

COMMON DISCLOSURE REQUIREMENTS:

- Any significant defects regarding walls, ceilings, floors, roofs, windows, doors, foundation, fences, driveways, plumbing, and electrical systems.
- Lack of compliance with child safety standards.
- Additions or modifications to any rooms in the house.
- Use of hazardous substances on property.
- Zoning violations.
- Regular neighborhood noise disturbances.
- Any features on property shared with neighbors.
- Damage to property from fire, earthquake, floods, or landslides.
- Deaths on property (within three years).
- The location of any publicly registered sex offenders, or at least ensuring the buyers have knowledge of the sex offender database.

WHAT YOUR STATE EXPECTS

Many states have strict disclosure regulations. Check with your state department of real estate. They can get you all the forms and checklists you need to make sure you comply with your state's requirements.

It's also important to contact your city planning department to make sure your property is up to date with all local ordinances.

Overlooking issues, such as misplaced land borders or an unregulated build, could scare off prospective buyers, which is the last thing you want on the eve of a sale.

ON SECOND THOUGHT, GET AN INSPECTION.

Considering all of the local disclosures that may fall through the cracks, you might want to consider hiring a property inspector, even if your state doesn't require it.

While the results of an inspection might cause unplanned investments in renovations, you could avoid a potentially costlier lawsuit if undisclosed issues are discovered after the sale.

Getting an inspection in advance also will give you the upper hand when negotiating with the prospective buyer. There will be no last-minute surprises or unfounded demands that set the sale off course.

DISCLOSURES FOR ALL

Some disclosures are required in all 50 states. The use of lead-based paints or other hazardous materials can be harmful to home inhabitants, especially young children. If any of these materials have been used in your home, the buyer needs to know.

THE RESIDENTIAL LEAD-BASED PAINT HAZARD

REDUCTION ACT OF 1992 (AKA "Title X") states that if you are selling a home built before 1978, you must comply with the following procedures:

- Give an EPA-approved information pamphlet on identifying and controlling lead-based paint hazards.
- Disclose any known information concerning lead-based paint or lead-based paint hazards. The seller must also disclose information such as the location of the lead-based paint and the condition of the painted surfaces.
- Provide any records and reports on lead-based paint or lead-based paint hazards that are available to the seller.
- Include an attachment to the sales contract that includes a Lead Warning Statement and confirms that the seller or landlord has complied with all notification requirements. Sellers and homebuyers must sign and date the attachment.
- Sellers must provide homebuyers a 10-day period to conduct a paint inspection or risk assessment for lead-based paint or lead-based paint hazards.

Title X requirements allow the buyer to sue you for *triple the amount of damages* suffered from the exposure. To make sure you won't have to triple-pay, triple-check that you have done all you can to disclose any potential hazard materials in your home. For more information, visit the EPA website: www.epa.gov/lead.

WHEN IN DOUBT, DISCLOSE

The best way to ensure no repercussions of liability from lack of disclosure is to disclose any known issues.

However, *just because you've disclosed a problem doesn't mean*

the problem is yours. The buyer may negotiate potential costs of renovations into the deal. For example, if the cost to get the pipes fixed is appraised at \$5,000, subtract the amount from the sales price. The buyer can use the savings to get the work done themselves.

Some eager buyers may even look the other way on a minor issue that will not affect their quality of living, in order to get a deal done as soon as possible. You and the prospective buyer will have a healthier and more productive negotiation when all the cards are laid out on the table.

HOW TO DISCLOSE

Once you've figured all that must be disclosed to your prospective homebuyer, you need to figure out the right way to divulge the information. There are specific forms in many states that use prompting questions and fill-ins so that it's easy to complete and understand the reports of problems with your home.

You must sign and date these forms to authenticate your disclosures. The buyer also must sign and date the forms.

Even if your state does not mandate a form, it's important to get a receipt or legally approved document signed by the buyer, confirming they have agreed with and have knowledge of all relevant disclosures.

You'll have peace of mind, knowing you made a sale that both sides feel good about and that nothing will come back to haunt you.

POINTS TO REMEMBER

- When selling, you're obligated to disclose any problems

that could affect property value.

- Your willing disclosure can facilitate a sale.
- Check your state and local regulations for disclosure requirements and forms.
- You should strongly consider getting an inspection, even if not required to do so.

CHAPTER 20

Hire a Real Estate Agent or Not?

I am sure you have wondered why people hire a real estate agent. Well, here are a few reasons.

Reason #1: We can sell homes for more money. In fact, most sellers net more money in their pocket, even after they pay the agent's commission.

The average home sold by an agent sells for \$230,000, while the average For-Sale-By-Owner home sells for \$184,000. That doesn't mean every agent can sell your home for more, but many sellers actually *make money* hiring a real estate agent to sell their home. Here are a couple of real-life examples:

- Brandon had his home on the market for \$220,000 and wasn't getting much activity. The buyers who did look at it were not serious and made lowball offers. He listed his home with an agent for \$240,000.

Three weeks later, he received an offer from a buyer willing to pay full price. He ended up with more money in his pocket, even after paying the agent's commission.

- Jimmy and Kaye had their home on the market for \$380,000. It wasn't selling. After a few months, they hired a real estate agent and increased the price to \$420,000.

A few months later, the home sold for \$408,000. As in the first example, they made more money, even after paying the agent's

commission.

Do these stories happen every day? No. But in most cases, the agent can sell the home for more money than the seller could sell it for on their own.

Reason #2: The whole process is easier when you hire a real estate agent. I talked recently to a title company manager who handles both For-Sale-By-Owner closings and real estate agent closings. He told me that when a FSBO sells their home, it takes about 30–45 days for the two parties to sign off on the contract. Sometimes, they don't sign it until they sit down for the closing. When a property is sold by a real estate agent, the sales contract is usually signed in *45 hours*.

Why does this matter to you? Ever heard of buyer's remorse? It's what happens when a buyer decides to buy your home, then immediately begins questioning their decision, even if it was a good decision. I've seen buyers get buyer's remorse when they were getting a steal on a home. Sometimes, they "freak out" and change their mind.

If you have a signed contract, you can hold them to it. If not, they may walk away, and you'll have to sell your home all over again.

This isn't to say that you can't sell your home yourself. But unless you have successfully sold a lot of homes yourself, you probably aren't set up as well as a professional real estate agent is.

Reason #3: A good real estate agent can save 80–100 hours of your time. We handle all the work for you. We are experts at financing, loan conditions, home inspections, surveys, title work, termite inspections, appraisals, negotiating, etc.

Some people have estimated there are 189–213 different things an agent does to sell a home, depending on the property. Selling

a home takes a *lot* of time.

Reason #4: We solve problems. This is the most important thing a real estate agent can do for you. After all, just because a buyer is interested in your house does not mean they will be able to complete the purchase.

Here's a story that illustrates this perfectly. A seller put her home on the market. The perfect buyer came along and made a full-price offer. The seller and the buyer signed a contract. The contract had to be canceled when the buyer ran into a problem with financing.

The seller told the story to an agent. It turns out the financing problem would have been easily solvable. But the seller hadn't known how to solve it, so the sale had fallen through.

Unfortunately, the seller had to put the home back on the market, and it took another five months to sell. The seller had to pay an additional five months' worth of mortgage payments, property taxes, and homeowner's insurance premiums. In addition, she had to maintain the lawn, pay the electric bill, and take care of the property.

This reminds me of an old story. A huge steamship boiler system was not working properly. The steamship captain hired a top boiler expert to fix it. The expert asked a few questions and inspected the boiler room. He looked at the pipes that twisted and turned every which way and listened to the boiler and all the machinery. Then, he reached into his tools and grabbed a small hammer. He gently tapped one valve and "*Voila!*" The problem was fixed. He sent a bill for \$1,000 to the steamship's owner.

When the owner saw the \$1,000 invoice, he became mad as a hornet! He called the expert and confronted him about the bill. "You were only there for 15 minutes! How dare you charge me

\$1,000!” he demanded. The expert agreed to send a new bill, which arrived the next day.

The bill was itemized as follows:

- **Tapping the valve:** \$5.00
- **Knowing where to tap:** \$995.00
- **Total:** \$1,000.00 + HST

Specialized Knowledge is one of the most valuable resources in the world. Fortunately for you, I have specialized knowledge. I know how to sell homes for more money. I know precisely where to “tap the valve” and solve any problems that come up.

In fact, *you will usually make more money when you hire me to sell your house.* The increase in profits is usually enough to pay my commission, and then some.

Here’s how you make money hiring me. I save you countless hours chasing down surveys, handling inspections, etc.

What is your time worth? If it isn’t worth anything, you should sell your home yourself, but I know your time is valuable.

I know from personal experience that most homeowners are successful, hardworking individuals. You have probably spent many hours developing specialized knowledge in your profession. An outsider might look at what you do and think it’s easy. Only you know the intricacies of what your profession requires to be done well.

Run the numbers. Consider the valuable insight I’ve shared with you. When you are ready to hire a highly skilled, professional real estate agent, give me a call. I’ll be glad to help you.

When you are ready to have me do *all the work* required to sell your home, contact me. I’ll help you take the first crucial step: determining your home’s true value. With that number in hand, we’ll be ready to talk about listing and selling your home, and you will be able to make well-informed decisions.

The next page has all my contact information. I can’t wait to help you get started!

POINTS TO REMEMBER:

- Statistics show that, on average, real estate agents sell homes for much more money than FSBO sellers.
- A good real estate agent can save the seller roughly 80-100 hours during a sale.
- Real estate agents have the knowledge and expertise to solve problems that can disrupt home sales.

Testimonials & Reviews

Here's a list of people whom I have helped buy or sell a home, and what they said about working with me:

Thomas A

“David Bedient was the best choice I could have made. He made finding and purchasing a home for me and my family trouble free. David was extremely knowledgeable about the area I was interested in willing to go the extra mile for me always in phone contact emailing me and answering any questions that I may have had and keeping me up-to-date on the process. David is very professional and knowledgeable. He would be a great choice for anyone looking for a home.”

Feliphe G

David was everything I was looking for in a realtor when buying my first house. He made the process seem much less intimidating and confusing. The Mortgage specialist that is on his team helped to increase my credit score and put me into a first-time home buyer program.

Connie W

David has exceptional customer service! I am a landlord of a rent house, and he has picked out some very good tenants for me more than once. I would highly recommend him to anyone that is looking to rent or buy a house!

Rene O.

I found David from one of his car signs; he has branded himself “The Specialist, not just a realtor. He sure lived up to that title, from the presale, to the inspection, to the Appraisal and to the closing table. He educated us of the process and answered all our crazy questions and sometimes our late timing. He never made

us feel like we were bothering him. We are so happy with our new home and the help and education he gave us.

Richard W.

David has negotiated 2 residential moves for me in recent years with excellent results on both occasions. He's a great realtor who understands both his client's needs and the market trends. If you want the best deal at below market pricing, give David a call. You'll be glad you did.

Stephen B.

David did an incredible job of getting our property sold. There were several obstacles that had to be overcome in order to get the house approved for sale. I am thankful that David was our realtor and I'd recommend him to anyone.

Norma G.

Always available to answer questions & share information.

Robert W.

Being a first-time homeowner, completing all the paperwork, locating a property, and other tasks seemed really overwhelming. Dave is definitely a lifesaver, which is fortunate for us. He kept an eye on our budget and showed us some of the greatest offers available in Houston. Dave is undoubtedly a knowledgeable real estate agent. He deserves five stars for finding us the best deal.

Sandy V.

David is a realtor who is truly exceptional. He was always willing to respond to our inquiries, give us updates, and share insightful knowledge. David is a great asset because of his ability to handle difficult negotiations. At every stage, we experienced genuine support and were kept informed. David's great service is a reflection of his genuine concern for his customers.

Jose V.

David is an absolute real estate pro. He showed knowledge of the market and a commitment to finding us the ideal home. From the moment we met until the day of closing David's negotiation, and attention to detail made the process run smoothly. We are incredibly appreciative of David's and suggest him to anyone in search of an excellent real estate agent.

Want Top Dollar For Your Home?

There are many different things you can do to sell your home for top dollar. If you use these strategies, you get a higher sales price. But, miss any of these crucial components, and you risk settling for a lower price than you deserve.

That's why I offer a Free "Sell For Top Dollar" Consultation. I'll meet with you, take a look at your home, and show you exactly what needs to be done to sell for top dollar.

I'll give you advice on marketing, pictures, pricing strategy, staging, negotiations, etc. Each of these items is crucial to your sale. Get them all right, and you'll sell for top dollar. But, neglect one of them, and you risk settling for less than you deserve.

So, if you'd like my Free, No Obligation, "Sell for Top Dollar" Consultation, give me a call.

We'll schedule a time that works for the both of us to meet. I look forward to helping you!

Best Regards,

Dave Bedient
Walzel Properties LLC.
832-867-0500



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