



SELLER PROCESS GUIDE



SELLING PROCESS

- ✓ Considering Selling
- ✓ Getting Ready for Home Showings
- ✓ Reviewing Offers
- ✓ Appraisal



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QUESTIONS TO ASK

When Considering Selling

These questions will help you decide whether you're ready for a home that's larger or in a more desirable location. If you answer yes to most of the questions, you may be ready to move.

Have you built substantial equity in your current home?

Check your annual mortgage statement or call your lender to find out how much you've paid down. Usually you don't build up much equity in the first few years of your mortgage, as monthly payments are mostly interest. But if you've owned your home for five or more years, you may have significant, unrealized gains.

Has your income or financial situation changed?

If you're making more money, you may be able to afford higher mortgage payments and cover the costs of moving. If your income has decreased, you may want to consider downsizing.

Have you outgrown your neighborhood?

The neighborhood you pick for your first home might not be the same one in which you want to settle down for good. You may have realized that you'd like to be closer to your job or live in a better school district.

Are there reasons why you can't remodel or add on?

Sometimes you can create a bigger home by adding a new room or building up. But if your property isn't large enough, your municipality doesn't allow it, or you're simply not interested in remodeling, then moving to a bigger home may be your best option.

Are you comfortable moving in the current housing market?

If your market is hot, your home may sell quickly and for top dollar, but the home you buy will also be more expensive. If your market is slow, finding a buyer may take longer, but you'll have more selection and better pricing as you seek your new home. Ask your real estate professional what they see happening locally.

Are interest rates attractive?

Low rates help you buy "more" home, and also make it easier to find a buyer for your current place.

Is the effort and cost of maintaining your current home becoming difficult to manage?

A REALTOR® can help you decide whether a smaller house, condo, or rental would be appropriate.

CHECKLIST

Before Putting Your Home up for Sale

Here are a few items to take care of before listing your home. This can make the sale process quicker and easier in the long run.

- ❑ **Consider a pre-sale home inspection.**
An inspector will be able to give you a good indication of the trouble areas that will stand out to potential buyers, and you'll be able to make repairs before open houses begin.
- ❑ **Organize and clean.**
Pare down clutter and pack up your least-used items, such as large blenders and other kitchen tools, out-of-season clothes, toys, and seasonal items. Store items off-site or in boxes neatly arranged in the garage or basement. Clean the windows, carpets, walls, lighting fixtures, and baseboards to make the house shine.
- ❑ **Get replacement estimates.**
Do you have big-ticket items that will need to be replaced soon? Find out how much it will cost to repair an older roof or replace worn carpeting, even if you don't plan to do so. The figures will help buyers determine if they can afford the home, and they'll be handy when negotiations begin.
- ❑ **Locate warranties.**
Gather up the warranties, guarantees, and user manuals for the furnace, washer/dryer, dishwasher, and any other items that will remain with the house. It may seem like this task can be left until closing, but you don't want lost paperwork or last-minute scrambling to cause the deal to fall through.
- ❑ **Spruce up the curb appeal.**
Walk out to the front of your home, close your eyes, and pretend you're a prospective buyer seeing the property for the first time. As you approach the front door, what is your impression of the property? Do the lawn and bushes look neatly manicured? Is the address clearly visible? What do you see framing the entrance, if anything? Is the walkway free of cracks and impediments?

HOW TO

Add Curb Appeal

Trim bushes and branches so they don't block windows or architectural details.

Set a pot of bright flowers (or a small evergreen in winter) on your porch or front walkway.

Install new, matching locks and knobs on your front door.

Repair any cracks or holes in the driveway, and clean oil spots with degreaser and a steel brush.

Edge the grass around walkways and trees.

Stow your garden tools and hoses out of sight, and clear kids' toys from the lawn.

Buy a new mailbox.

Upgrade your outdoor lighting.

Purchase a new doormat for outside your front door.

Clean your windows, inside and out.

Polish or replace your house numbers.

Mow your lawn. Also, turning on the sprinklers for 30 minutes before the showing will make the whole yard sparkle.

Place a seasonal wreath on your door.

CHECKLIST

Get Ready for a Home Showing

- ❑ **Remove clutter.** Clear off counters and pack unnecessary decorative items. Put extra furniture in storage, and remove out-of-season items. Don't forget to clean out the garage, too.
- ❑ **Let it shine.** Cleaning windows and screens will help bring more light into your home. Replace burnt bulbs, and consider higher wattage in low-light areas. Clean the walls or brush on a fresh coat of bright, neutral paint. Replace heavy curtains with sheer ones and show off your view.
- ❑ **Keep it clean.** A deep clean before listing your home will make upkeep easier. Consider hiring a cleaning service to help.
- ❑ **Maximize comfort.** In summer, shut A/C vents on the first floor so more air will get upstairs. Reverse the process in winter.
- ❑ **Perform a sniff test.** Clean carpeting and drapes to eliminate odors. Open the windows to air out the house. Consider potpourri or scented candles and diffusers. For quick fixes in the kitchen, cotton balls soaked in vanilla extract or orange juice can instantly make the fridge a nicer-smelling place. Boil lemon juice in your microwave, then add it to your dishwasher to eliminate odors. You can also run lemon rinds through the garbage disposal for a similar effect.
- ❑ **Take care of minor repairs.** Sticky doors, torn screens, cracked caulking, or a dripping faucet may seem trivial, but they'll give buyers the impression that the house isn't well-maintained.
- ❑ **Tidy up outdoors.** Cut the grass, rake the leaves, add new mulch, trim the bushes, edge the walkways, and clean the gutters. A pot of bright flowers near the entryway adds great curb appeal.
- ❑ **Set the scene.** A bright afghan or new accent pillows easily jazz up a dull room. Pretty dishes or a simple centerpiece on the tables can help buyers picture themselves living there. Try staging a chess game in progress. If you have a fireplace, lay fresh logs or a basket of flowers there.
- ❑ **Make the bath luxurious.** Make sure your personal toiletry items are out of sight, along with old towels and toothbrushes. Add a new shower curtain and fancy guest soaps.

- **Send the pets to the neighbors.** If that's not possible, crate or confine them to one room, and let the real estate practitioner know where they'll be to eliminate surprises.
- **Lock up valuables and medication.** Agents can't watch everyone all the time.
- **Head out.** It can be awkward for everyone if you're home at the time of a showing.

WHAT TO KNOW

About the Appraisal Process

Once you are under contract, the buyer's lender will send out an appraiser to make sure the purchase price is in line with the property's value.

Appraisals help guide mortgage terms.

The appraised value of a home is an important factor in the loan underwriting process. Although lenders may use the sale price to determine the amount of the mortgage they will offer, they generally only do so when the property is sold for less than the appraisal amount. Also, the loan-to-value ratio is based on the appraised value and helps lenders figure out how much money may be borrowed to purchase the property and under what terms. If the LTV is high, the lender is more likely to require the borrower to purchase private mortgage insurance.

Appraised value is not a concrete number.

Appraisals provide a professional opinion of value, but they aren't an exact science. Appraisals may differ quite a bit depending on when they're done and who's doing them. Changes in market conditions also can dramatically alter appraised value.

Appraised value doesn't represent the whole picture of home prices.

There are special considerations that appraised value doesn't take into account, such as the need to sell rapidly.

Appraisers use data from the recent past.

Appraisals are often considered somewhat backward looking, because they use sold data from comparable properties (often nicknamed "comps") to help come up with a reasonable price.

There are uses for appraised value outside of the purchase process.

For selling purposes, appraisals are usually used to determine market value or factor into the pricing equation. But other appraisals are used to determine insurance value, replacement value, and assessed value for property tax purposes.