

Seller Free Reports

Here are 10 minimum improvements to make before selling your home:

- Patch all holes and cracks in walls and ceilings.
- Fix all broken appliances and HVAC systems.
- Repair leaky faucets.
- Replace worn carpeting.
- Repaint dark or marred walls with neutral paint (not white).
- Replace broken windows.
- Repair the roof.
- Change out dated light fixtures / ceiling fans.
- Replace old linens / window coverings.
- Fix code violations.

Signs of a Buyer's Market

- Inventory is high as compared to previous months / years.
- More than six months of inventory is on the market.
- Comparable sale prices are higher than active listing prices.
- Fewer buyers are purchasing, resulting in lower closed sale numbers.
- Median sales prices are declining.
- Real estate ads are getting bigger.
- For Sale signs are staying up longer, resulting in longer DOM.

How to Compute Months of Inventory

- Find the total number of active listings on the market last month.
- Find the total number of sold or closed transactions for last month.
- Divide the number of total listings by the number of total sales, which results in the number of months of inventory remaining.
- For example, in a buyer's market, there was 8,722 listings available over a given 30-day period. During that time period, 1,021 sales closed. That leaves 8.5 months of inventory remaining on the market, making that marketplace a buyer's market.

Seller's Real Estate Markets

If you are a home owner who wants to sell a house in a seller's real estate market, this is the best financial market in which to sell. Why? Because there are more buyers than available houses to buy.

In a hot real estate market, serious buyers are often willing to pay more than list price. This means you can probably sell your home quickly and quite possibly for more than you ask for it. If your market is sizzling hot, you might be able to demand that buyers waive appraisals and inspections, although it's always a good idea to let a buyer have a home inspection. Moreover, without waiving the right in writing, federal law says you must give a buyer 10 days to inspect for lead paint.

Signs of a Seller's Market

- Inventory is very low as compared to previous months / years.
- Less than six months of inventory is on the market.
- Comparable sale prices are lower than active listing prices.
- More buyers are purchasing, resulting in higher closed sale numbers.
- Median sales prices are increasing.
- Real estate ads are getting smaller.
- For Sale signs are up for a few days before a pending or sold sign is attached.

Neutral Real Estate Markets

These markets are balanced. Typically, interest rates are affordable and the number of buyers and sellers in the marketplace are equalized. The scales don't tip in either direction, meaning the market is normal without experiencing volatile swings.

Signs of a Neutral Market

- Inventory is normal as compared to previous normal months / years.
- Three to six months of inventory is on the market.
- Comparable sale prices are close to active listing prices.
- Sales numbers have stabilized.
- Median sales prices are flattened.
- Real estate advertising remains uniform.
- For Sale signs are replaced with pending or sold signs within 30 to 45 days.

Answers to Frequently Asked Questions

What is a Beneficiary Demand?

A beneficiary demand is an estoppel letter from the financial institution that holds your promissory note and mortgage. It explains what is required to release the borrower from debt and sets forth the following information:

- Name of the lending institution.
- Address and phone number of the lending institution.
- Account number of the existing loan.
- Name of the borrower(s).
- Date of beneficiary demand.
- Current principal balance.
- Interest rate.
- Date to which the interest is paid.
- Release fee.
- Statement fee.
- Recording fee.
- Delivery or FAX fee.
- Daily interest amount.
- Date to which the demand is valid, generally 30 days.
- Late fees, if any.
- Other charges, if any.

If the lender does not receive its payoff funds within the time period specified in the beneficiary demand, the beneficiary demand expires, and a new beneficiary demand must be ordered. Also, lenders generally expect interest to be paid up to the date it receives the funds, so most payoffs are padded a bit, with the overage returned to the borrower after payoff.

How is a Beneficiary Statement Different from a Beneficiary Demand?

A beneficiary statement is simply a letter addressing the status of the loan. Borrowers who are obtaining a home equity loan or a second mortgage are often required to submit a beneficiary statement from the first mortgage holder to ascertain the condition of the loan. Some lenders will accept a copy of the borrower's last loan statement because they contain identical information.

A beneficiary statement lays out the following:

- Name of the lending institution.
- Address and phone number of the lending institution.
- Account number of the existing loan.
- Name of the borrower(s).
- Date of beneficiary statement.
- Current principal balance.
- Interest rate.
- Date to which the interest is paid.
- Statement preparation fee.

An escrow officer told me that lenders get so few requests for a beneficiary statement nowadays; many don't know how to prepare a beneficiary statement. Some lenders send out beneficiary demands when escrow requests a beneficiary statement and don't seem to know the difference between a beneficiary demand and a beneficiary statement.

Here are the steps for selling a home:

1) Choose a Listing Agent

A listing agent will represent you and have a fiduciary responsibility to look out for your best interests.

Interview agents and meet with at least three neighborhood specialists.

Negotiate your listing agreement, including term.

2) Get Home Ready for Sale

Prepare your home for sale by cleaning, decluttering and improving curb appeal.

Hire a professional stager to stage your home, or ask your real estate agent for help in staging.

Make repairs before selling.

Protect your privacy while your home is on the market.

If you're selling a home where pets live, make alternate plans for your pets.

3) Figure Out How Much Your Home is Worth

A seller's biggest mistake is to overprice.

Price your home in line with sold homes identified in a comparative market analysis report.

Consider whether your market is hot, cold or neutral, and price according to the market temperature.

4) Market Your Home

You or your agent should identify the sizzling selling points and choose advertising words to sell.

Approve your agent's marketing campaign or figure out how to advertise your house for sale yourself.

Follow the top 10 home marketing tips for selling your home.

Hire a virtual tour company to take quality photographs and put a 360-degree virtual tour online.

Tweak marketing to increase traffic and showings.

Post internet listings online. Your agent or you should saturate the internet with photographs and description of your home.

5) *Show Your Home*

If you're wondering about lockbox vs. appointments, you'll get more showings if you let agents use a lockbox.

Your home will show better if you are selling in spring than selling in winter.

Selling during the holidays will likely result in a lower sales price, regardless of what agents tell you.

Follow the top 10 home showing tips. You've got only one chance -- and sometimes only 3 seconds -- to make a good first impression.

Prepare for an open house and use the approach sparingly.

Ask for buyer feedback so you can adjust your price, condition or marketing campaigns accordingly.

6) *Receive Purchase Offers and Negotiate*

Make certain that buyers use the right form for writing a purchase offer.

Even if you receive a lowball offer, negotiate by issuing a counter offer. Don't ignore offers.

Ask for a Bump Notice clause or first right of refusal if the buyer's offer is contingent on selling a home.

Consider making a counter offer contingent on buying a home, if market conditions warrant.

Don't be afraid to make a full-price counter offer, if you are priced competitively.

If you are priced right, prepare yourself for multiple offers.

7) *Open Escrow / Order Title*

Your agent or transaction coordinator will open escrow and order a title policy.

Write down the contact information for the closing agent.

Select a date to close based on when the buyer's loan will fund.

Ask for a receipt for the buyer's earnest money deposit.

8) *Schedule Appraiser Appointment*

Clean the house the day before the appraiser arrives.

If you receive a low appraisal, ask your agent about alternatives.

You are not entitled to receive a copy of the appraisal because you did not pay for it.

If the buyer decides to cancel the contract based on an appraisal, ask your agent or lawyer about your rights.

9) *Cooperate with Home Inspection*

Get ready for the home inspector.

Ask your agent to provide you with a home inspection checklist so you will know which items an inspector will want to see.

Expect that the inspector will want access for an attic inspection and will look for a wet basement; prepare those areas for inspection.

Prepare as well for the final walk-through inspection.

10) *Obtain Seller-Required Inspections*

If your contract calls for a roof certification, hire a reputable company to conduct the inspection.

States that allow for termite / pest inspections make these reports public records.

The fees for all inspection reports, even if seller-mandated, are negotiable.

If your home was built before 1950, a sewer inspection might call for a new sewer line, but trenchless sewers are less expensive to install.

11) *Delivery Seller Disclosures*

All homes in the US are subject to lead-based paint disclosures.

If you are aware of material facts, disclose them.

Your title company should provide CC&Rs, but if you belong to a homeowner association, additional documentation will be required.

12) *Negotiate Request for Repair*

Ordinarily, sellers do not need to accept a buyer's request for repair; however, buyers can generally then cancel.

You are entitled to a copy of the home inspection report, if the buyers request repairs.

If you do not choose to make repairs, a buyer might instead accept a closing cost credit.

13) *Ask Buyer to Release Contingencies*

In Washington, for example, contracts default to 2 and 5 for the Purchase & Sale Agreement, 10 days for Inspection Addendum, 15 days for Insurance Contingency, 30 days for Loan Commitment. Some of these contingencies are considered waived by default if the buyer doesn't release the release contingencies, others you will need to ask the buyer to waive the contingency.

If you do not demand a release, buyers are not obligated to provide it.

If buyers do not provide a release, in WA, sellers have the right to cancel.

14) *Sign Title / Escrow Documents*

In Washington, you will sign escrow documents after the buyer's loan has been processed and the lender is ready to proceed on funding the buyer's loan. If the purchase is a cash sale then you will generally sign several days before the closing date that is listed on the Purchase & Sale Agreement. The escrow company will call to set up signing appointments for both the buyer and the seller. You generally will meet with the escrow company's closing agent that is assigned. If you are in another state or country, the escrow company will overnight the closing paperwork for signing, or their will set up a courtesy signing at another escrow company.

Bring a valid picture ID.

15) *Close Escrow*

Your property deed, reconveyance and deed of trust will record in the public records.

Title will notify you and your agent when it records.

Depending on buyer's possession rights specified in the contract, you may be required to move on the day it closes.

When real estate markets transition from seller's to buyer's markets, agents tend to put a lot more money and work into selling listings. However, I believe that employing strong marketing techniques is just smart business, regardless. In seller's markets, good marketing can bring higher prices and, in buyer's markets, it could mean the difference between sold or expired. Good marketing might not sell your house, but it will make the phone ring. Because if buyers don't call, you won't sell.

The How to Guide for Shooting Pictures of Your House

1. *Photograph the Front*

Most home buyers begin a home search online, so good photos are essential. Listings without a photo or with only an exterior shot are often passed over and ignored. Buyers are visual. Follow these tips and your house photo will look ten times better than the competition's:

- Crop out sidewalks and streets.
- Remove vehicles from driveway / front of home.
- Shoot up-close & angled photos.
- Avoid shade on the house.
- Clear away vegetation blocking front door or path to door.

2. *Exterior Photographs*

If you own a condo or townhome without a yard, then take pictures of the clubhouse, pool, spa or tennis courts. If you have a yard, however, buyers will want to see it.

- Emphasize space and shoot long.
- Mow the lawn & trim bushes.

- Remove evidence of pets.
- Put away children's toys.
- Avoid shooting into the sun.

3. *Interior Photographs*

Take photographs of every room. Even if you suspect the room won't photograph well, shoot it anyway because the photo quality just might astonish you and be useable.

- Open drapes & blinds
- Turn on lights.
- Focus on interesting details like the condition of a wood floor or a fireplace mantle.
- Remove trash cans & close toilet lids in bathrooms.
- Use floral arrangements in kitchens & dining rooms.
- Avoid shooting into mirrors because your image will reflect.

4. *Virtual Tours*

Virtual tours aren't just to showcase million-dollar homes anymore. Every home should have a virtual tour, even if it's only two spins. Buyers love, love, love virtual tours.

- A good virtual tour will grab a buyer by the hand and lead them from room to room, showing a 360-degree view.
- Depending on the tour company, you can add sound, music or an exciting, professionally written description that scrolls with the movement of the tour.
- Virtual tours can also include individual photos available for download or to print.

5. *Signage*

Signage encourages home shoppers to immediately call you or your agent. It's free advertising! If your home is a corner lot, put up two signs.

Some homeowner associations prohibit real estate signs.

Some HOAs allow only window signs.

Try talking to a neighbor, whose home is located at the corner of a busy street, asking for permission to put a sign in that yard with an arrow pointing toward yours.

Agent signs should include the phone number of the closest office (if the brokerage operates multiple offices) and the agent's cell or voice mail number.

For Sale by Owner signs should include a phone number where the buyer can reach you directly.

6. *Print Advertising*

Print advertising reaches buyers who read newspapers. Online ads reach the rest. If your neighbors say, "Everywhere I look, I see your home advertised," you're doing a good job. Put ads in:

- Major newspapers. Find out which days pull the most readers. Typically it's Sunday but some newspapers also publish "picture classifieds" on other days.
- Local newspapers. You can probably run a larger ad for less money that will more closely target those looking in your area.
- Real estate publications. Check on press date; can you wait?
- Every Web site you can find. Most online listings are free.

7. *Direct Mail*

If you're an unrepresented seller, you can buy mailing lists from list brokers. If you are represented by an agent, ask about a direct mail program. Here are three places to mail:

- Neighbors. Everybody has friends and relatives who might want to move near them.
- Agents who represent buyers in your neighborhood.
- Buyers who live in other areas and often relocate to your neighborhood.

8. *Open Houses*

Not every home is suitable for an open house due to location or other factors, and sometimes the only way to determine that is to try it. If nobody comes, that's probably a good indication. However, if your home is located near a high traffic area where buyers often swarm, then it's a good candidate.

- Place open house signs throughout the area directing buyers.
- Advertise in the newspaper.
- Advertise open house times online.
- Invite the neighbors; they're going to come anyway.

9. *Host Broker / Agent Tours*

If you're planning to sell your home without representation, then skip this step. However, since most buyers are represented by an agent, it's a good idea to draw as many agents and brokers as possible to view your home.

- Agents who linger in your home will better remember details to later describe to buyers.
- The best way to entice an agent to hang around is food. Doesn't need to be expensive, sandwiches will suffice.
- As agents munch and network, the hope is they will admire your home and bring back a buyer.

10. *Send E-Flyers*

Technology has made it very easy to create and send electronic flyers. You can also include multiple photographs of your house. Costs vary but it's generally less than \$100 to produce. Here are ideas for recipients:

- Real estate agents who sell in your area.
- Friends, family and coworkers.
- Out-of-area brokers and agents who represent buyers in your area.