

McAlister & Young

How To Avoid 7 Costly Mistakes When Selling Your Home

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*Here's A Guide To Avoid Costly Problems
And Sell Your Home For Every Bit Of Its
Worth In The Least Amount Of Time...*



How To Sell Your Home For The Most Money The Market Will Pay!

When you're getting ready to put your property on the market, there are a number of things to think about, to prepare for, and to organize. Here's a list of seven costly pitfalls to look out for when selling your home:

Mistake #1: Failing to DRESS Your Property For Sale

Buyers look for HOMES, not houses. They buy homes in which they FEEL they would like to live. One of the major factors in getting your home to sell quickly is very simple: MAKE IT FEEL LIKE "HOME."

Most buyers select their home based on EMOTIONS. Once their decision is made to buy, they justify their purchase with LOGICAL reasons: facts and features. So, it's most important to make your home appeal to all senses. Your property is NOT the only home the buyers will see. You are competing with other homes in the market, and some of them have been professionally decorated.

The Way You Live In A Home, And The Way Your SELL A Home Are *TWO Very Different Things*

When you're showcasing your home for sale, it's going to look very different from the way it looks when you're living there. Here are a few tips for showcasing your home for sale:

- First impressions set the tone for a buyer visit, and they're LASTING! Approach your home in your car like any buyer would. Examine the outside as you're approaching. How does it look? Are shrubs away from the home? Oil in the driveway? How does the grass and landscaping look? Cluttered looks detract from the architecture of the home. A clean, polished landscape says your home is valuable and well-maintained!
- Take a look at your actual home. Is the paint fading or chipping? Is the color outdated or impersonal? How does the roof look? As you drive up to or away from your home, what do you see first?
- Now go inside just like a buyer would. You want to be aware of four senses: smell, touch, sight, and hearing. Go through room by room and test all four senses. Check flooring and carpet for stains and odors.

Most importantly: Pack away all appliances, get rid of excess furniture, put away useless dishes, and make your home neat and orderly. If you've ever visited a model home, you'll notice it's clean and uncluttered. You have to move anyway, so you

might as well pack early, and make your home more saleable. Go to the garage and make sure it's neat.

- Hire someone to professionally clean your home. Top to bottom! Cleaning and cosmetic fix-ups, especially in the kitchen, bathrooms, and master bedroom can many times yield you up to \$10 in extra sales price for every \$1 you invest.
- Pets should be out of sight (and smell!). Get rid of pet odors for showings. Remember the four senses. Also, some people are uneasy around pets, and they may distract attention from the features of your home.
- Pay particular attention to lighting. During the day, open all your blinds and curtains. If it's cloudy out, turn on all lights for showings. At dusk, leave your front drapes open and turn on all the lamps and lights.

At night, do the same, but close your blinds and curtains. When showing your home, turn off all appliances, television, radio, and anything that will distract attention from your home. You might want to play a little light music to enhance the emotional experience for your buyer.

Mistake #2: Pricing Your Home Incorrectly

Every seller wants to realize as much money as possible when selling their home. The natural inclination is to price the home high, thinking you can always come down in the future.

But a listing price that is too high frequently nets the seller LESS money than an original price at market value. Why is this? Because people looking for homes in your price range will reject your home in favor of other homes in a reasonable price range.

And here's the real clincher: Agents who would readily bring buyers through your home will automatically cross it off their showing schedule because it's priced too high. They're only motivated to show homes with the highest probability of selling. Agents simply will not show overpriced homes because they work by commission. They know market values because it's their job to know. And they don't want to waste their time.

So you price your home high, thinking you can come down. Problem is, the agent and buyer community don't look at it that way. They see it as an overpriced home. After a few months go by, eight or 10 open houses, signs, agent tours...and not a nibble. So you decide to lower your price again. But it's too late...your home has already been "branded" by the agent community. So you reduce your home a little more. And little happens.

Finally, in order to attract attention back to your home, you've reduced your home price more than you ever thought you would, and you're now netting much less than if you had priced it correctly in the beginning. **And think about this:** The money you lost

is not just the lower sales price, but all the extra interest you paid on your mortgage...all the extra property taxes and other carrying costs that accrue while your home is waiting to sell.

Mistake #3: Limiting The Marketing Exposure Of Your Property

The most obvious marketing tools everyone uses (Open Houses and classified ads) are only moderately effective. Successfully marketing of your home (getting the highest price, at the right time, and with no hassles and problems) requires much more.

Surprisingly, less than 1% of homes are sold at an open house. Agents use open houses to attract buying prospects, not to sell your home. And advertising studies show that less than 3 % of people purchased their home because they saw it in an ad.

Mistake #4: Thinking Your Appraisal Is The Market Value Of Your Home

An appraisal is an opinion of value for an entirely different purpose than selling your home. Usually an appraisal is to provide a bank or mortgage institution information to fund a loan. If a lender is motivated to loan you money, his appraisal may come in higher than the true market value of your property. The appraiser might ignore other issues in his analysis, such as foreclosures in the market or distressed sales.

When a buyer looks at a home, they look at all the factors: foreclosures, distressed sales, bankruptcies, divorces, and area fluctuations. Don't make the mistake of thinking the "appraisal" value of your home is what a diligent buyer would pay.

Mistake #5: Not Understanding Your Rights And Obligations

Real estate law and regulations can be very complex. When you sign a contract for the sale of your property, it's a legally binding document. An improperly written contract can create many problems for you: a sale could fall through, cost you thousands in forced repairs, inspections, and remedies for items included or excluded in the purchase offer.

You also need competent review of your title, and whether or not your property is in conflict with local restrictions or laws. If you have to remedy these items yourself, you can spend thousands on legal bills, fines, contractors, and other costs. Using a competent Realtor up front can help identify and avoid these issues before they become "problems."

Mistake #6: Signing A Listing Agreement With NO WAY OUT!

Just about every agent has good intentions about helping you sell your home. But situations and circumstances change. The agent might have personal problems, or simply decide to retire or get out of the real estate business.

Or other situations may arise where the agent isn't doing his or her job as you expected. The home may not be getting the exposure you desire. Or perhaps you haven't heard from your agent in six weeks!

What do you do now?

When this happens, you should have the right to fire your agent. But the listing agreement you signed is with the **BROKER**, not the agent. If you're unhappy, the broker may assign your home to another agent – someone you neither personally selected, nor do you want. But you're stuck with him or her until the listing agreement expires. And that can cost you a lot of money!

Always protect yourself by: 1) carefully selecting the right agent, and 2) make certain that in a “*worst case*” situation, you have the flexibility to modify or cancel your listing agreement.

Mistake #7: Selecting The WRONG Agent

Do you remember the old riddle that goes, “*What do you call the person who graduated dead-last in their medical school class?*”

Answer: “DOCTOR!”

Well, it's the same with real estate professionals. Someone with vast experience and extraordinary professionalism usually costs the same as someone with little or no experience, or with compromising standards. You need to know how to tell the difference up front.

Bringing competence and experience into your transaction may mean the difference between a higher negotiated sales price and losing money, selling in less time or in more time (costing you potentially thousands in added interest), and experiencing problems and hassles or a problem-free transaction.

Selling your home is probably the most important financial transaction you will ever make. That's why we take our business so seriously. We would be honored to talk to you about all of your real estate needs and develop a plan to help you get the most money for your home. Give us a call (615) 673-2998.

