



HOW TO SELL HOMES FAST FOR TOP DOLLAR



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CHAPTER 1

Introduction

Most people's largest investment is their home. As a result, selling a home – whether a single-family home, a duplex or a condominium – is the single largest and most complex transaction a person will ever undertake. It entails learning new terms and concepts, as well as financial awareness and dealing with larger figures than usual.

Numerous emotions at work can impair good judgment. Many sellers believe that their home, where they raised their children and made so many memories, is worth more than the bricks and mortar they contain. Real estate transactions involve dozens of decisions and significant investments of time, energy, and money on the part of homeowners, and emotions almost always cause problems in a sales price negotiation.

The goal of the home seller is to find that home shopper who can't resist buying your house at the highest possible price. To accomplish this, you must provide potential buyers with an eye-catching home sales presentation that outshines other homes on the market. It requires making a great first impression, giving buyers the impression that they are walking up the front walkway of their new home for the first time, rather than visiting someone else's. It's about falling in love at first sight, right off the bat, in those first few seconds.

Most sellers do not sell their homes on their own. They prefer to work with an experienced real estate professional with whom they are familiar. This book was written to provide some of that comfort while avoiding the direct sales stressors of face-to-face contact.

I want prospective or active home sellers to gain a better understanding of the home-selling process on their own. I've also provided actionable advice on how to market your home effectively, avoid costly mistakes, and maintain proper focus.

Allow this book to serve as your go-to resource for information, strategies, and techniques for selling your home quickly and for the best price. Take your time reading through the chapters to learn the secrets of successful home sellers. Discover, for example, why comparable homes sell at vastly different prices.

Prepare to sell your home by understanding its market value, best listing price, negotiation tactics, and improvements that provide the best Return on Investment (ROI).

My sincere hope is that this book will assist you in making the best use of your time and efforts when selling your home. Part 1 examines the process and importance of preparing your home for sale, including how to present your home to get top offers, the "80/20 rule," and which upgrades will make the most difference in ROI.

Part 2 delves into marketing your home, including a look at costly mistakes, how to avoid them, and how to find qualified buyers. Part 3 delves into the critical topic of negotiations — what to expect and how to conduct them —

and concludes with a look at the benefits of hiring a real estate professional in your real estate sale transaction. After you understand the process, requirements, and tips, you will realize that an experienced, financially savvy real estate professional can significantly shorten the time and increase the economic value of your transaction.

Reading this book is the first step toward selling your home for the highest possible price in the shortest amount of time. After you've finished reading it, I'm ready to help you with a Comparative Market Analysis and a solid marketing plan that fits your budget and lifestyle.

CHAPTER 2

First Steps to Home Selling

Location! Location! Location! is the most important consideration in real estate and a major, if not the most important, factor in real estate pricing. Home sellers, both novice and experienced, must understand the factors that influence a home's price.

Setting a price for your home to sell is neither simple nor completely mathematical. Many factors influence the decision. You will read examples of similar and similarly situated houses that sold for very different prices throughout this book, as well as the reasons for the disparities. A calculated home value does not always correspond to what you believe your home is worth. Recognizing this helps to avoid overpricing, which is a major factor in homes languishing or going unsold.

Familiarity with the real estate terms market value, appraisal value, and assessed value can save disappointment and frustration by allowing the home seller to participate meaningfully in determining the listing price of a home.

The most common definition of market value is "the most likely price a property should bring in a competitive, open market, under the conditions necessary for a fair sale." This is essentially a pre-negotiation opinion of what a house should bring into its local market, i.e., its geographical area, which is typically a suburb or neighborhood.

A professional appraiser performs an appraisal value evaluation of a property's worth at a given point in time. The appraised value is an important consideration in loan underwriting because it determines how much money can be borrowed and on what terms. The Loan to Value (LTV) ratio, for example, is based on the appraised value. When the LTV exceeds 80%, the lender will usually require the borrower to purchase mortgage insurance.

The assessed value is the amount set aside by the local or state government for a specific property, and it frequently differs from the market or appraisal value. When a property tax is levied, the assessed value is used as the basis for the tax. A real property's assessed value is not always the same as its market value. Approximately 60% of properties in the United States are assessed at a higher value than their current market value.

WHAT IS YOUR HOME WORTH?

Knowing the difference between value, worth, and the price is the first step in selling your home. Let's look at the deciding factors at work. Understanding those factors enables them to be utilized. There are several methods for determining the value of a home.

PROFESSIONAL APPRAISAL

Nothing but the price at which a piece of real estate sells determines its sale price. Houses are not identical cans of tuna on the grocery store shelf or shares of stock valued and traded on the stock exchange every day.

The process of developing a value perspective for real property is known as real estate appraisal ("property valuation"). This is the market value, or what a willing, reasonable buyer would pay a willing, reasonable seller for

the property. Real estate transactions generally necessitate assessments because they occur infrequently and each real property is distinct in terms of features and characteristics. An appraisal is useful in a variety of decision-making situations. The appraisal can be used as a basis for pricing by the seller. The buyer can use it as a guideline for making an offer. Appraisals are used by lenders to determine how much money to lend to their borrowers.

The important factors in a house appraisal are:

- Dwelling type (e.g., one-story, two-story, split-level, factory-built)
- Features (including design) — materials used and the kind of structure present and how they were built
- Improvements made
- Comparable sales
- Location — a type of neighborhood, zoning areas, proximity to other establishments
- Age of property
- Size
- Depreciation

Of course, the condition is an important consideration in valuation. Although a property's location cannot be changed, upgrades or improvements to a residential property can often increase its value.

A professional appraiser should be a qualified, unbiased expert in real estate appraisals with local knowledge. Their job is to estimate the value of a property by inspecting it, reviewing the initial purchase price, and comparing it to recent sales at the same price.

COMPARATIVE MARKET ANALYSIS BY A REAL ESTATE PROFESSIONAL

This type of home valuation is provided by real estate professionals for FREE and is more useful than automated online offerings. It gives you detailed information on every house sold in your area in the last six months, including the final sale price. It also contains information on all of the houses for sale in your area, including the asking price. These are your competitors' homes. The real estate professional will also answer any questions you may have and assist you in pricing your home realistically.

The current market must be considered, in addition to understanding how the value of a home is determined. You can rely on proven expertise to market your home at the best listing price if you use a professional real estate agent. I will gladly prepare a Comparative Market Analysis for you.

If you would like more information on how to request a free home valuation, please see the last page of this book.

THE SECOND STEP (SELLING YOUR HOME FOR MORE)

As previously discussed, there is no calculable certainty in determining the value of a home. The difference between the seller's assessed price, the asking or listing price (market value), and the price at which the home sells can be significant (sale price). In a competitive market, what can the homeowner/seller do to generate offers at or above the listing price?

The most important aspects of the process are the seller's time, effort, and investment. The seller's willingness to adequately prepare the home for presentation — and

willingness to live in that pristine state for the duration of the sale — will have a significant impact on both the sale period and the price at which the home sells.

A balanced or neutral market is one in which homes typically sell within six months of being listed, indicating that a good number of homeowners are selling and buyers are purchasing, and thus neither has an advantage. A variable, such as a major company entering — or leaving — the area, will tip the scale toward homeowners in a quick market or toward buyers in a slow market. A typical selling time in a fast market is 30 days, while it can take up to nine months in a slow market. Any number of fewer than six months is considered a seller's market.

LIVING IN A FISHBOWL

A house on the market necessitates keeping the home in constant "show-ready" condition, and changes in day-to-day life are unavoidable. Unrepresented prospects and buyers' agents call at all hours to show the home, and the listing agent provides frequent updates by phone, email, and text, as well as show appointment scheduling messages. They will also most likely handle repair and reconditioning appointments as well as inspections. The house could be photographed for online, magazine, or brochure presentations.

When the house first goes on the market, there are numerous showings. Maintain your home in pristine condition for impromptu showings — the ideal prospect might just drop in at dinnertime.

CREATING A CALM & PEACEFUL ENVIRONMENT IS KEY

Potential buyers are distracted by children and pets, which negatively impacts their experience with your home. You should plan to have your children elsewhere, your pets crated or leashed, and no toys or dog hair on the sofa. The dishes should always be done, and the kitchen should be spotless.

The pressure to show your home to everyone who is even mildly interested in looking (but not necessarily buying) may stem from the belief that the more people who see it, the faster and easier it will sell. Many real estate agents present their clients with dozens of homes to consider without first establishing a clear picture of what the buyer desires. Low-interest traffic can be time-consuming, energy-intensive, and resource-intensive for the seller.

Because a showing can take a few minutes to an hour or more out of your day, finding an interested buyer is the most important thing. The home will be shown to a far greater number of uninterested buyers than interested buyers. How many times will you be required to show your house? In an ideal world, your home would only be shown to serious buyers. However, there are many "Sunday afternoon window shoppers" in the real estate industry.

However, you should not waste your time attempting to entice uninterested buyers. This is where planning, organization, and the professional assistance of a qualified real estate agent can help you handle even the most daunting tasks without wasting your time.

CHAPTER 3

Pareto's Principle



"Eighty percent of results will come from just twenty percent of the action."

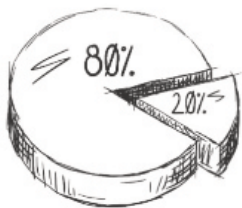
This is the Pareto principle, named after Italian economist and philosopher Vilfredo Pareto, who discovered an intriguing correlation in 1906. He began working on the "80/20 rule" after noticing that 20% of the pea plants in his garden produced 80% of the healthy pea pods.

This observation prompted him to look for more examples of unequal distribution. He discovered that only 20% of the people in Italy owned 80% of the land. He looked into various industries and discovered that 80% of production typically came from only 20% of the companies. His findings led to the idea that 20% of the action will produce 80% of the results.

While it is not always an exact 80/20 ratio, this imbalance is frequently seen in a variety of business cases:

- 20% of sales reps generate 80% of total sales
- 20% of customers account for 80% of total profits
- 20% of the most reported software bugs cause 80% of software crashes
- 20% of patients account for 80% of healthcare spending

RELATING THE 80/20 RULE TO HOME SELLING



Understanding the 80/20 rule concept can help you sell your home faster. Using the 80/20 rule, you stop trying to sell the entire house. Using the rule, you can emphasize the 20% of your home's features that make it unique. The remaining 80% of your home still influences the buyer's decision, so

don't ignore it, but highlight the elements that make your home unique in photographs and showings.

Remember that your selling point will not be the features that your home has in common with the other properties on the market. Instead, use your home's distinguishing features to attract buyers who are looking for those features.

BUYER'S STORY

Vince desired an ocean view when he and Sue were looking for a new home. They looked at several desirable properties but were unable to find any that were suitable for them. Some were overpriced, while others offered obstructed views. They looked for almost a year before finding an older home a short walk from the beach.

The neglected exterior and dated interior were not appealing, but Vince was sold when he stepped onto the third-floor balcony off the master suite. When he took in the view, any flaws in the wall color or fixtures vanished. Every morning, he could now see the sunrise through his bedroom window.

What 20% of the house drew Vince and Sue's attention? The breathtaking ocean view from the third floor!

SELLER'S STORY

Cam and Kate needed a buyer who wasn't concerned about the house on an unpaved road when they listed it. Although the house was over ten years old, the interior was updated with new, neutral wall colors and carpeting to make it appear brand new. The home's welcoming appearance was enhanced by the towering trees and established yard.

The buyer had also looked at a home near Cam and Kate's that had towering trees, a koi pond, and a patio. This house was comparable on the inside and outside, but it was located on a busy street.

What 20% of the home drew the buyer's attention and led them to choose Cam and Kate's home? The buyer adored the home's secluded country setting. The 1.8-acre property was surrounded by pastures and dotted with large oak trees.

LOCATION MATTERS

A buyer paid more for a townhouse in the complex because it overlooked woods rather than the parking lot. Another seller took advantage of the fact that most of the nearby homes lacked yards, with only a few sharing a half-acre grassy area. An owner whose townhouse bordered this yard area sold his home for a higher price than other townhouses in the complex because he possessed a feature shared by less than 10% of the other owners — in fact, he had the only available listing offering that feature. He emphasized that feature when marketing the townhome. The house sold for a higher price because of this distinguishing feature.

Another townhouse seller in the same complex discovered a different distinguishing feature. Even though she did not have a yard, she was able to take advantage of her location. Her property was bordered by a lake and a fountain. This

distinguishing feature aided her in selling the townhouse quickly and for a higher-than-average price.

THE 80/20 RULE IN ACTION: BUYERS ARE SEARCHING FOR UNIQUE FEATURES

Choose, improve, and highlight your home's unique features in marketing copy, photographs, and showings. Spend little time explaining how the storage room can be converted into another full bath; instead, take the prospective dog owner to the fenced-in dog run in the unusually large backyard. If the home has a specific feature that a buyer is looking for, emphasizing this feature in marketing efforts will attract interested buyers willing to pay the asking price.

Each house will have its distinct features. If you are unsure about yours, consider the following:

- Views from hilltops or high vantage points provide a spectacular view of the surrounding area.
- Wildlife frequent open fields.
- Sunrise and sunset views are unobstructed.
- Patios, decks, dog runs, garden areas, and gazebos — highlight features that neighboring houses lack, as well as differences in size or quality; that one important feature could help you sell your home.
- Even in the same neighborhood, location can set a property apart, adding value to a home on a cul-de-sac or corner lot.
- A private location or lot that is partially hidden by trees
- A distinctive, shady, or larger backyard; a fenced backyard is a significant selling point. (If your yard is not fenced but could be, consider adding one.)

- Finished basement, large attic or garage, swimming pool, or anything else that distinguishes your home

Using the 80/20 rule can help you spend less time showing to people who aren't interested. Instead, you will be showing your home to buyers who are eager to buy.

You will not have to show as frequently. You also won't have to sift through lowball offers from inexperienced buyers. Keeping this in mind, you must take the time to discover and enhance your home's most appealing and distinctive features. Compare your home to others in the neighborhood to determine what makes yours unique. Make the best of it.

HOW THE 80/20 RULE APPLIES TO HOME SALES

A home buyer from out of town who had no specific requirements contacted a real estate agent to look at available homes for sale. He was driven from house to house by the agent. In each case, the buyer proposed offers that were 10% to 20% lower than the asking price without budging. The agent's chances of finding a suitable home for the buyer were dwindling as the day progressed.

They came to a halt at one last house as the sun set. The house's exterior was dated, and the yard was neglected. This agent and her client had spent the entire day looking at houses with 80% of the same characteristics. Nonetheless, once the buyer entered the house, he wanted to pay the full asking price.

What distinguishes this house from the others? He didn't care for the kitchen, bathrooms, or bedrooms. As far as he was concerned, a bedroom was a bedroom. He was smitten by the one notable feature of this otherwise uninspiring home.

The house was situated on a hill and had a stunning view from a large window. The sun was setting below the distant tree line as they entered the great room. That point of view persuaded the buyer. The home's remaining components could be improved.

The window view from the hillside influenced the home buyer's decision to purchase. He offered full price on the spot because he was impressed by 20% of the home's features. That is the strength of the 80/20 rule.

In some cases, the 80/20 rule can help people sell their homes without even holding a showing. The house in the following example had been on the market for several months. This house was more appealing than the previous one.

It was a brand-new, custom-built home that had been on the market for over seven months with no offers.

The builder hired a real estate agent who understood the significance of locating that one unique feature. He drove out to thoroughly investigate the house. He discovered what the property possessed that the competition lacked. The property was five acres in size. Other houses for sale in the area were on one- to two-acre lots.

The yard was not only larger but also more private than the other properties. The five acres were highlighted by the real estate agent when marketing the property. Interest in the property increased because the house was no longer the main selling point.

CHAPTER 4

Creating Curb Appeal



"A stunning first impression is not the same as love at first sight," someone once said. But it is undeniably an invitation to think about it." This is especially true when it comes to selling a home. First impressions are important. They can be everything at times.

First impressions are everything when it comes to setting the tone of a relationship or encouraging a transaction. Always consider what a potential homebuyer might think as he or she approaches your property for the first time.

Consider "curb appeal" to be the shop window of a home seller. When choosing a lunch spot on a busy avenue in a tourist area, it's either the outside presentation or, as we saw in the 80/20 rule discussion, some specific feature that draws customers in. The way the place looks ("curb appeal") is important to most lunch goers, while the soups and sandwiches they serve are important to others (specific desired feature).

You don't have much time to build a curb appeal relationship with a potential homebuyer. Whether they're browsing the web for online photos from across the country or driving by your house in the family SUV on a Sunday

afternoon outing, home buyers will decide whether they want to see more at a glance.

"We buy ugly houses," says a sign nailed to an electric pole. Rehabbers look for unsightly houses to pay the least amount possible; homebuyers looking for a deal — not a "basement bargain" — do not want an unsightly home.

Creating curb appeal is critical for attracting buyers to your home. The appearance of your home from the road is so persuasive that a well-prepared house may attract buyers who did not find the written description particularly compelling. Similarly, a neglected house may cause a buyer who was previously enticed by the description to pass right by.

Try this out. Go out onto your street and take a good, long look at your house to see if you can spot any flaws. Is it appealing, pristine, and well-kept, or do you need to make some repairs that you've been putting off? You are unlikely to examine a home objectively after living in it for a long time. Consider suggestions from real estate experts, friends, and/or potential home buyers on how to improve the appearance of your home.

Then, take a drive around your neighborhood and surrounding area, noting which homes for sale pique your interest and why. Homes with trimmed bushes, groomed lawns, attractive landscaping, and a "grand entrance" (discussed later) will be more impressive than homes with an unkempt walkway, uncut grass, and a front door with peeling paint.

The outside appearance of a property should entice people to come inside. Potential homebuyers are drawn to

welcoming front porches and tidy yards. They are unlikely to be drawn to a house that has dead shrubbery and a weathered exterior. A buyer is likely to believe the house has been neglected on the inside as well.

Examine your house through the eyes of a potential buyer. Drive up to the curb and make a list of everything that needs to be fixed. Low-cost investments such as power washing the house and concrete, repainting trim, and adding landscaping increase the curb appeal of your home. Simple improvements such as weeding, trimming, and window washing can significantly improve the appearance of a home for little or no cost. Repairing and repainting your home may cost more money, but these improvements are often reflected in the final sales price of your home.

The goal here is to increase the value of your home. Unless you want to sell below market value, most homebuyers aren't interested in a home that needs work.

Make a written list of everything that could be improved in your yard:

- Shrubs trimmed, flower gardens tended, walkways tidied, and beds weeded
- No trash, trash cans, lawn clippings, branches, or general mess in the yard
- All outside fixtures and components (door and yard lights, garage door, porch rails); functioning properly and looking their best
- Outdoor features, such as patio furniture or the deck, updated with staining or painting

Make all major and minor improvements to your property's exterior. There could be a lengthy to-do list. It takes time

and effort to prepare a home for sale. Anyone can list a home for sale, but not everyone sells quickly or for top dollar.

Then, wait for prospective buyers to be drawn to the inside of your home when they see how lovely it is from the outside!

CREATING A GRAND ENTRANCE

As I previously stated, the "*grand entrance*" — the portal to even the most modest house — is an important part of curb appeal. You want to give the impression that this is a wonderful place to live. Impressing the home buyer at the front door is an important aspect of the home sale. This entails more than simply placing a welcome mat and potted plants outside.

When prospective buyers walk through the door, you want them to feel welcomed, safe, and secure.

The first point of contact in a home is the doorknob. Homebuyers place a high value on security. A flimsy lock or handle on the front door will make potential buyers uneasy, and they may not even realize it. Replace an entry handset that is worn or loose. Consider replacing the doorknob with a heavy-duty deadbolt and knob. This less than \$100 investment will make your home more visible and secure, and everyone wants to feel safe in their own home.

Make the front door a focal point by making it impressive. Refresh it with a splash of color. Select a paint color that complements the color of your house. Replacing a wooden door with a steel entry door is 91% ROI (Return on Investment).

SOME OTHER CONSIDERATIONS IN CREATING GREAT CURB APPEAL:

- Symmetry is pleasing to the eye and simple to achieve. Unevenly trimmed bushes or lopsided landscaping will detract from curb appeal; the overall appearance of the home requires balance.
- The mailbox should be an extension of your home. Replace it if it is worn, dated, or unsightly. This is inexpensive and worthwhile.
- Use outdoor lighting to enhance landscaping appeal while also providing a perceived safety feature.
- To add instant color, use flower boxes and raised flower beds. This is a simple and inexpensive way to improve curb appeal.
- Improve the landscaping. Weeding and adding fresh mulch can make a difference and demonstrate homeowner care and maintenance.
- Consider adding molding to the tops and sides of the doorway or around windows to improve architectural appeal.
- Maintain the condition of the shutters and trim. Repainting them improves their appeal. Clean and fresh fence gates, arbors, and fencing panels are recommended.
- Clear the gutters and downspouts. To remove rust spots, repaint or touch up.
- Make sure the path to the front door is clear and accessible. Stacked hoses and overgrown landscaping obstruct home buyers from walking up and detract from the inviting appearance.
- A fresh coat of exterior paint will always improve curb appeal; faded or chipped paint, siding, or trim will always detract from it. If the exterior paint is good, make sure the door and window trim is as

well. This inexpensive upgrade is well worth the money.

- Power washing the house, walkways, and driveway can be almost as effective as repainting while being far less expensive. Power washers can be rented from local hardware stores.
- If it complements the design, adding some stone or stone veneer to the face of the home is an inexpensive way to instantly update it.
- Install a "smart" doorbell. Because eight out of ten home doorbells are outdated or broken, investing \$200 in a doorbell with a camera and speaker will gain the approval of home shoppers looking for security measures.

One of the most important factors in selling your home quickly and successfully is curb appeal. You can pique buyers' interest in your home before they even get out of their car, even if they didn't intend to look for a home like yours.

Buyers will be far more likely to want to see the inside of your home if you spend money cleaning up the outside. The curb appeal of your home attracts buyers, keeps their interest, and distinguishes it from the competition.

Prospective homebuyers typically will not want to take on a major renovation project unless you are willing to lower your home's price well below market value.

CHAPTER 5

Staging with Purpose



Staging is the act of sprucing up and arranging the interior of a home to make it as visually appealing to a prospective buyer as possible. Creating an appealing home — one that potential buyers can picture themselves living in — is the best investment you can make in your sales effort.

Sellers frequently fail to take full advantage of this opportunity because it requires a significant amount of time and effort. However, the payoff has been established. One of the most effective marketing strategies for increasing the value of your home is staging.

This strategy works in any market and for any type of home being listed. It applies to single-family homes, apartments, townhouses, and condos alike. This strategy works! Agents and sellers who use this strategy have a better chance of selling the property for a higher price.

Staging the home will:

- Set it apart from the competition.
- Get top dollar from homebuyers.
- Give yourself a visual advantage over the competition.

**STAGED VS. NON-STAGED
CASE STUDY & REPORT**

Dear Reader,

I wanted to provide you with the most convincing evidence possible. Many people find it difficult to believe that simply staging a home can help it sell for more than another, similar home.

In my research, I looked for examples of similar houses selling for varying amounts of money, with only one of the two houses staged.

These two listings provided the clearest example I could find.

This development contains 200 comparable townhouses.

Every townhome in the area is three stories tall, with three bedrooms and three bathrooms. Every unit has the same layout.

I looked for two sales there and found the following:

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

I've been to this neighborhood before and am familiar with these properties.

There is no better example of two identical properties selling at different prices.

In terms of location desirability, the lots on which the units are situated are identical.

Both units shared the same kitchen layout, including the same cabinets and tile floor.

The living rooms in both units had beautiful hardwood floors, and the bedrooms were carpeted.

Every detail of these townhouses was the same. I investigated every aspect of these sales to determine what made the difference.

One home sold for \$40,000 more than the other for two reasons:

- *Townhome A was professionally staged, making it appear more appealing.*
- *The agent selling Townhome A took better, more appealing photos of the property.*

Those two seemingly insignificant actions resulted in a \$40,000 difference! Because the agent presented the home more appealingly and charmingly, the buyers of Townhome A made a higher offer.

THE POWER OF STAGING WHEN SELLING A HOME

Consider the following findings from Coldwell Banker and the National Association of Realtors® surveys:

- Homes that were staged spent 50% less time on the market than un-staged homes.
- Homes that had been staged sold for more than 6% more than the asking price.
- An investment in staging of 1% to 3% of the asking price yields an ROI of 8% to 10%.
- Homes that were staged before listing sold 79% faster than homes that were staged after listing.

WHAT DO BUYERS WANT TO SEE?

The majority of home buyers want a new start. If they can envision themselves living in the house, it will be easier to sell. This is referred to as "interior curb appeal," and it occurs when the eyes are drawn to inviting spaces and light, as well as unique features. Each room should have a purpose or suggested use. To reflect the ease of upkeep, the home must appear new. The goal is to achieve a clean, simple, and modern appearance. Painting, updating fixtures and removing stained carpets and popcorn ceilings can increase a home's salability by 75%!

NEUTRALIZE FOR VISUAL APPEAL

The goal is to neutralize the home in terms of personal taste or decoration so that buyers can easily imagine the home as it would be outfitted to their taste or with their possessions without being distracted by the seller's taste and possessions. Distractions are removed during staging so that the home shopper can imagine living in each room of the house.

A simple way to accomplish this is to paint all rooms a neutral color. There is a wide variety of neutrals available, ranging from soft grays to warm beiges. Painting the interior adds newness and freshness to the space and can make it appear larger. Using the same color in visibly

adjacent rooms creates a seamless look and uninterrupted flow in the home.

Changing your window treatments to match your walls can also give the illusion of more space. When used in large spaces, dark or bold wall colors can detract from the appeal of a home; however, they can occasionally be used effectively as accent colors.

FOCUS ON FURNITURE: LESS IS MORE

A visually inviting space is created during staging so that the home shopper can envision or imagine life in that space. The key is to keep things as simple as possible. If the seller's taste and style are displayed while the home is on the market, it could be a sale detriment. Preparing for a move is an essential part of selling a home; it might as well be done now to improve the property's salability.

In a moment, we'll look at depersonalizing the home, which is an important step. But first, we must investigate the concept of creating space by minimizing furniture.

Buyers are drawn to homes that are bright and spacious. They are also put off by cramped homes with inaccessible spaces. Home buyers want to be able to walk through a house without encountering any obstacles. Buyers prioritize space and storage, so every room in the house should feel spacious.

Remove all excess furniture from living areas. Store it while the house is on the market. Closets, pantries, and storage rooms must be clutter-free and well-organized. By displaying space and storage in areas such as closets, attics, or basements, you can attract attention by removing unnecessary items.

Furniture placement is a simple way to draw attention to unique house features. A seating arrangement in front of a fireplace will draw attention to it. Avoid putting furniture against the walls. Rearranging easy chairs to create floating group spaces.

Every room must be staged to demonstrate functionality. An empty room that has been used to store overflowing boxes, possessions, or unwanted items should be converted into a usable, desirable space. Clean it up and turn it into an office with a desk and chair, or a reading room with a lamp and a recliner. Exercise equipment could be arranged to make it look like a workout room. Every room should serve a purpose and be easy to use. Make your home's traffic flow smoothly so that buyers can easily browse each room.

EMOTIONAL CUES

Once each room serves a purpose, creating an atmosphere is critical to making the home appealing. A room comes to life with decorative touches like greenery, flowers, and coffee table books. Wall art that is creatively hung can accomplish the same thing. A bedroom with only one bed, one pillow, and one blanket may appear bare and lonely. You can enhance its appeal by including a table with a lamp and a rocking chair draped in a lap robe. To unify the space, use elements of the same color, shape, or texture. Color should be used in wall art or anywhere you want to draw attention.

Find a happy medium between staging and living in your home. You can even decorate your home seasonally without losing its appeal. The main goal is to keep your home clean and clutter-free so that potential buyers are not distracted. Even minor details can have a significant impact on a home's final sale price.

When it comes to home staging, you have two options: do it yourself or hire a professional home stager. If you are thinking about hiring someone, I can make some recommendations.

TO STAY OR NOT TO STAY?

Home sellers frequently inquire whether they should remain in their home while it is on the market or relocate. Both have advantages and disadvantages, as well as factors that can tip the scale one way or the other.

Advantages of Moving Out

The burden of showing a vacant home is virtually eliminated if the seller has hired a real estate agent. All phone calls, appointments, and showings will be handled by the agent.

Real estate agents representing buyers are also more likely to want to show vacant homes. If an agent has 20 home options and 15 of them are occupied, they may choose to show the vacant homes for the sake of convenience. They do not need to make an appointment and can simply walk over to the lockbox.

Furthermore, the constant pressure to keep daily life from interfering with the home's pristine staging presentation is removed. The seller is not constantly under pressure to keep the home in perfect showing condition. If you know you'll struggle to keep your home in show-ready condition for showings, such as if you have young children, consider vacating before putting it on the market.

Cons of Moving Out

A vacant home may indicate that the owner is a "motivated seller" in need of a quick sale. Consider the following

example from an online real estate forum. When a buyer noticed a vacant house, he offered \$30,000 less than the asking price. The buyer was already sold on the house and would have paid more, but the "bargaining" started well below the asking price because the buyer assumed the seller was desperate to sell.

CHAPTER 6

Upgrading with ROI in Mind



Making improvements can be as simple as replacing the handle on your front door and refreshing the paint job, or as complex as remodeling your entire kitchen or master bath. The question is always, what home improvements provide the best return on investment?

Because the average return on investment (ROI) in real estate is less than 100%, the rule of thumb is "less is more." It is frequently advised in this area that it is preferable to update/remodel your home while living in it rather than solely when it comes time to sell. This way, there is more enjoyment in the improvement and less cost and time spent on sale preparation. Some desirable upgrades or home improvements will not recoup their costs in the sale price, so the owners should enjoy them throughout their ownership.

If your house is worth \$275,000 and you spend \$25,000 to renovate the kitchen, don't assume that the investment will increase the value dollar for dollar. The remodel may increase the value of the home, but the return on investment will be around 50%. Smaller improvements, such as

replacing outdated fixtures in the kitchen and bath, are certainly worthwhile, but the major remodeling of those rooms to sell your home is not.

That's not to say you should disregard necessary repairs that a home inspector would flag or a mortgage company would require before making a loan to a buyer. If you have major issues, such as a leaking roof or outdated electrical wiring, you should repair them before listing your home for sale or expect to make concessions to the buyer.

STARTING WITH THE BASICS

Every listed property should meet the basic requirements of any buyer. It should have a solid roof, working gutters and downspouts, a foundation that is free of cracks, a working heating and/or air-conditioning system, solid sub-flooring, and safe and secure electrical wiring. With finance-mandated home inspections, any flaws may be required to be corrected for the buyer's financing to be approved.

It is critical to understand that a home's market value is determined by the prices of comparable homes that have recently sold in the area. Extensive remodeling to sell or increase the value of the home may not be worthwhile. While the kitchen must be comparable to others, spending \$25,000 to remodel a kitchen in an area where comparable homes recently sold for \$275,000 will not increase the house's value to \$300,000. While it may be a useful selling point, it will not provide dollar-for-dollar value.

MECHANICAL MAINTENANCE IS A MUST

It's easy to get caught up in the more visually appealing aspects of preparing a home for sale. However, all of the more mundane aspects of the home must be maintained.

These mechanical features must be considered:

- Electrical boxes and wiring
- Natural gas lines
- Plumbing
- Central heating and air-conditioning

If these components are old, outdated, or broken, the home's appeal suffers, as does the eventual sale price.

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

People want to buy a home that reflects their aesthetic tastes and lifestyles while also being safe and secure. Faulty electrical systems do not instill a sense of security. Leaking plumbing cause concerns of mold infestation and sewage issues. These are critical areas that may necessitate extensive work. If you overlook them during the preparation stage, you risk having problems with inspections and appraisals later.

It helps the sale if professionals certify or repair any mechanical system flaws. A professional inspection for buyers to review is a huge advantage in marketing.

- Inspect the entire water system for leaks with a certified plumber. Examine the well and, if applicable, the septic field.
- Employ an electrician to inspect the wiring.
- Contact an HVAC company and request a thorough service checkup.

- Request that your natural gas supplier double-checks the mechanics of your tank and lines.

If you want to avoid calling and scheduling all of the different inspections, certified home inspectors usually cover all mechanical issues (and more). They will be able to identify potential problem areas. Because many buyers hire an inspector, you may be saving them a significant step in the sale process.

If your home has mechanical issues and you decide to sell it "as is," you may need to negotiate with the buyer.

REPLACING APPLIANCES

Buyers are undoubtedly influenced by new appliances. The National Association of Realtors® conducted a buyer survey and discovered:

- Buyers were typically "interested" or "somewhat interested" in purchasing a home with new appliances.
- 41% of home buyers would pay more for a home with stainless steel appliances.
- The most important factor was the availability of appliances in the home.
- Most buyers who were unable to obtain their desired appliances stated that they would have been willing to pay nearly \$2,000 more for them.

Potential buyers want appliances and will pay more for them if they are new or in excellent condition.

New appliances may be what distinguishes one home from the one across the street. If new appliances are out of the

question, offer immaculately clean and fully functional used ones.

UPDATING HARDWARE

Examine your bathroom and kitchen hardware thoroughly. It is best to replace it if it is unsightly or worn. Put yourself in the shoes of a buyer. Your house could become their new home. Old, worn-out fixtures will not speak to them in the same way that nice, new, shiny hardware will.

You do not need to replace your knobs, pulls, handles, or hinges unless they are broken. Get that new look by thoroughly washing, sanding, and painting them with spray paint designed specifically for kitchen and bath hardware.

Examine these hardware items carefully and replace them as needed:

- Towel bars
- Toilet paper holder
- Door handles
- Dated light fixtures

The goal is to make your home look nice without spending too much money. If you have a limited budget, the internet has a wealth of do-it-yourself videos that can help you update your bathroom and kitchen.

If your hardware is broken or worn out, it is best to replace the entire set. You can paint the old and new pieces to match if you can find matching pieces.

LET THERE BE LIGHT

Bringing in light, whether natural or artificial, is one of the most effective ways to showcase your home.

Using light to improve the appearance of your home can make a difference. Even the best furnishings and features are unflattering in harsh light. Dim lighting gives the entire house a dingy appearance. Assessing the lighting in each room of your house will give you an immediate idea of where to add more light. As your home will be visible during the day, rooms with plenty of windows benefit greatly from natural light.

Supplemental lighting is required in rooms with small windows or with little natural light. To improve artificial lighting, increase the wattage of the light bulbs in your lamps. As a general rule, 100 watts should be allocated to every 50 square feet of space.

Lighting comes in three varieties. Generally, general lighting or overhead lighting is ambient. The pendant light is ideal for tasks such as food preparation and reading. Accent lights are typically placed on tables or hung on walls. You can use all three to bring out the best in your home.

Foyers, for example, can set the tone by utilizing a dramatic lighting source. If you don't have a lot of natural light, a chandelier-style light works well if your ceilings are high. Otherwise, wall sconces look great in small spaces. If you can update existing fixtures, there's no need to buy new ones. The goal is to ensure that every room in the house is adequately lit.

The kitchen and bathrooms are crucial areas. These two factors can either make or break a sale. The use of ambient, natural, and pendant lighting in your kitchen can bring out the best in it. Installing track lighting beneath cabinets allows the counters to shine both aesthetically and

functionally. Check that the lighting over the sink is adequate and functional. Install clear bulbs in hoods over stoves to ensure the brightest light.

The lighting in the bathroom should be bright but not harsh. Soft lighting enhances any area of the home that you want to draw attention to.

Avoid using harsh lighting in your bedroom as well. Lamps strategically placed will create a peaceful, restful atmosphere in the bedrooms. However, the closet light should be bright.

Last but not least, light-colored rooms require adequate lighting to avoid appearing drab.

FLOORING PLAN

While you want to avoid home buyers looking down on your house, they will be looking down at what is beneath their feet. If your floors are in poor condition, the buyer may reduce the value of your home. Buyers will be more willing to pay for your home's flooring if it is well-done and in good condition.

The goal is to maximize profit while minimizing investment dollars, but if your flooring and carpeting are in poor condition, you must take inventory. There is no point in spending money if the improvements do not add significant value or help the home sell quickly; however, there are budget-friendly options.

Repairing and thoroughly cleaning the floors are the cheapest options, so start there. Examine all floors to take stock. Remove any furniture and make notes about the

condition, stains, or blemishes. Make a list of what needs to be replaced, cleaned, or repaired.

Steam-cleaning carpets can remove stains and odors. If your carpets are worn and dull, you can easily replace them with other types of flooring at a reasonable ROI, though carpeting does make a room feel cozier. Repair kits available at home improvement stores can be used to repair laminate floors cosmetically.

If your hardwood flooring has become worn or water damaged, you can easily refinish it. Consult a flooring professional because real wood floors add a level of quality to a home that laminate floors cannot.

TIPS FOR KITCHEN AND BATH

Be aware of what constitutes a significant investment when upgrading the kitchen and bath. The key is to think about the mass appeal in terms of resale value. Assume a homeowner decided to update the appliances and refinish the oak flooring in addition to adding a backsplash and more cabinet space in the kitchen. The total expense was \$4,000. The seller kept the price comparable to nearby sales and ended up selling for \$27,000 more than the asking price due to a bidding war between interested buyers!

What is the takeaway here? You don't have to break the bank to sell your home, but you do want to appeal to a broad audience. Kitchens play an important role in home appeal.

Here are some ideas for improving your kitchen and bath to impress buyers without sacrificing ROI:

- Paint neutral colors.

- Add a new backsplash in the kitchen.
- Install new countertops if dated or if you need to bring the home up to current area standards.
- Add new, multifunctional kitchen faucets.
- Add cabinet space or increase storage in the pantry.
- Replace dated bathroom vanities. Pedestal sinks or trendy cabinet sinks have mass appeal.
- Replace toilet seats — or the entire toilet, if necessary.

TWO ENERGY-SAVING UPGRADES TO LOWER UTILITY BILLS

Buyers are increasingly looking for homes that reduce consumption and save money on utility bills. Here are two alternatives for making your home more energy efficient.

- Install a smart thermostat that saves energy and money (less than \$300).
- Install solar vents in the attic (\$500-\$700) to help expel hot air during the summer months.

MAKING A CASE FOR SPACE

When people amass an abundance of possessions, they require storage space. They also want to get rid of clutter. Most homebuyers, according to the National Association of Realtors®, would have preferred improved and larger closet space, as well as other storage options. Consider the following statistics on what buyers want in a home:

- 93% wanted a laundry room
- 90% wanted a bathroom linen closet
- 86% wanted garage storage
- 85% wanted a walk-in kitchen pantry

STORAGE IS A PLUS

Give buyers plenty of storage space, and you'll have their hearts. If you can easily add new closets to your home, do so. If you are moderately handy, building a simple closet is not difficult. If you're selling an older home with limited closet space, this will come in handy!

If your rooms are already small, you may not want to lose any square footage. Existing closets can be updated to maximize available space.

If you lack the skills or funds to hire someone to build a new space, consider investing in closet organizers to maximize the space you do have. As an example:

- With a storage solution company like ClosetMaid, you can easily design your custom closet kit online.
- Your local home improvement or hardware store may have exactly what you need in a prefabricated, low-cost form.
- Organizers will not increase the size of your closets, but maximizing vertical and horizontal space is a viable alternative.

Don't stop there, either; storage isn't limited to closets. All cabinets, clothes closets, linen closets, attic, and basement spaces have storage improvement opportunities.

Make an effort to organize your cabinets. The same stores that sell closet organizers can assist with this. Examine your laundry room and linen closet carefully. Adding extra shelving in these areas can have a significant impact.

Look for any location where you can provide attractive and affordable storage space. Make sure your upgrades are tasteful, and you will benefit from more storage space.

When preparing your home for sale, updating it with an eye toward ROI is the best approach. Take a look at this recent list of what buyers want in a house. Compare it to what you have and upgrade accordingly, while staying within the price range for comparable homes in your area.

FEATURES MOST HOMEBUYERS WANT

- Energy Star-rated appliances — 94%
- Laundry room — 93%
- Energy Star rating for the whole home — 91%
- Exhaust fan in bathroom — 90%
- Exterior lighting — 90%
- Bathroom linen closet — 90%
- Energy Star-rated windows — 89%
- Ceiling fans — 88%
- Garage storage — 86%
- Table space for eating in the kitchen — 85%
- Walk-in kitchen pantry — 85%

Keep in mind that these enhancements are not guaranteed to be effective or profitable.

FEATURES FEWER BUYERS WANT

- Shower stall without a tub in the master bath — 51%
- Two-story family room — 43%
- Wine cooler — 42%
- Wet bar — 41%
- Laminate countertop — 40%
- Laundry chute — 32%
- Outdoor kitchen — 31%
- Game room — 31%
- His & hers baths — 31%
- Glass-front cabinets — 31%

CHAPTER 7

The Three D's

DEPERSONALIZE

Staging is the process of preparing a home to show to potential buyers; you must encourage them to imagine themselves living in the home, not in your home.

Depersonalizing your home entails removing personal items like photos, trophies, and collectibles. Personal taste items such as knickknacks and wall decor may also distract buyers from seeing the home as theirs. It's not a personal attack, but no one will appreciate your beer can collection, antique kitchen accessories, overstuffed closets, VHS/CD/DVD/records collection, or general clutter more than you. Simplify and neutralize your home as if it were a model home, which it is while it is on the market.

Pack and store your prized possessions out of sight. Consider renting storage units monthly until your home sells.

Make your home a clean, welcoming blank canvas for any buyer to visually paint their dreams on. It should not feel like your home while you are showing it.

DECLUTTER AND DISCARD

Living in your home without your "stuff" is understandably inconvenient — it's like living in a hotel. However, it is an essential part of getting top dollar for your home.

Books, magazines, CD collections, and hobby supplies, for example, add weight and visual distraction to a room. Even if the buyer collects salt and pepper shakers, your salt and pepper shaker collection will look cluttered.

The larger the appearance of your home, the more appealing it will be. Reduce as much as possible. You want the home shopper to see what your home has to offer rather than making assumptions about its potential or possibilities.

Work From a Plan

- Make a list of every room in the house, noting the clutter in each one, including closets.
- Declutter rooms one at a time, working from the smallest to the largest project.
- Clear out each room, keeping only the necessities.
- Donate or discard old clothes, decorations, toys, and other items.
- Put your treasured possessions in boxes and store them.
- Keep surfaces clean and free of accumulated debris.

Room-by-Room List:

- **Kitchen** — Clear the counters, leaving only three or four necessary items. Towels, dishrags, and potholders should be kept out of sight. Soaps and cleaners should be kept beneath the sink. Small appliances that are rarely used can be packed and stored. If you normally display teacups, serving dishes, and platters, pack them away. Display a few pieces of decorative shelving if you want to draw attention to it. Seasonal dishes and accessories should be stored as well. Clean out the pantry and closets of any pest control traps or poison. Appliances do not serve as additional shelving or

storage. Buyers will be disappointed if the microwave is used as a bread box or the oven is used to store cookware.

- **Bathrooms** — Make the bathroom appear to be rarely used. Take everything out of the cabinets and drawers. Keep only what you need and toss the rest. Prescription medications should be kept out of sight and reach of children. Locate a secure location for jewelry, keepsakes, and cosmetics/perfumes. Hair products and styling tools should be kept in cabinets.
- **Bedrooms** — When it comes to clothing, people typically wear 20% of their wardrobe 80% of the time. The emphasis is on displaying closet space. Only hang the clothes you wear the most frequently, and store the rest.
- **Dining Areas** — Remove all clutter from any flat surfaces, including the dining table, and replace it with only subtle decor, such as a vase of flowers.
- **Living Areas** — (Great rooms, family rooms, and living rooms) — Collect books, magazines, remote controls, toys, gaming devices, and throws. Clear all flat surfaces once more, pack away unnecessary items, and store magazines and electronics in decorative bins. Throws can be folded and draped on chairs or stowed in closets.
- **Office Space** — The focus of office space is organization. Overflowing shelves do not reflect useful space. Keep all personal papers hidden away.
- **Linen Closets** — Make sure to declutter and organize your linen closet before showing your home. This will help potential buyers see the full potential of the space and envision their own belongings in the closet.

- **Laundry Room** — You should keep your washer and dryer neat, whether they are in the basement, laundry room, or closet. Using shelving or bins, organize what you keep. Don't display your clothes for potential buyers to see. Laundry detergents, bleach, and softeners should be kept in cabinets. Do not use the appliance tops for storage.
- **Garage** — Although cleaning the garage may appear to be the most difficult task, it can be as simple as getting rid of items that haven't been touched in years. Broken toys, useless sports equipment, and rusted tools all seem to end up in the dark corners of the garage. Take advantage of this opportunity to donate or discard. Other items, such as wall paint, extra floor tiles, and bicycles, can be shelved or hung.
- **Pets** — When a buyer comes by, pet items must also be moved out of the way. See the Pet Peeves section for information on how to deal with pets while selling your home.

DEEP CLEANING: SPOTLESS IS THE NAME OF THE GAME

A thorough, deep cleaning of your home is essential. It works for car sellers (they get more money), and it will work for you when selling your home. After you've depersonalized and decluttered your home, it might be time to hire a professional deep-cleaning service.

Otherwise, once the clutter has been removed, proceed to clean each room. Organize each room from top to bottom. Be especially careful in the kitchen and bathrooms. Homebuyers will open cabinets, pantries, and closets to evaluate storage space.

GENERAL LIST OF TO-DOS:

- Remove cobwebs from every nook and cranny of your home.
- Ceiling fans and lighting fixtures should be dusted.
- Dust the blinds.
- Clean the walls. This must be completed before repainting, so it will save you time later.
- All glass surfaces, including mirrors, screens, patio doors, and tables, should be cleaned.
- All wooden surfaces should be polished.
- Wipe down leather furniture.
- Attack all appliances with a cleaning passion. Make them shine!
- Sinks, toilets, tubs, showers, faucets, and countertops should all be scrubbed. They must be flawless.
- Discoloration, stains, and mildew must be removed from all tiled areas, including the grout.
- Window treatments should be cleaned. Clean the windows so that natural light can enter your home.
- Vacuum rugs, shampoo carpets, and mop floors thoroughly.

KITCHEN AND BATH:

FOCUS ON HIGH-IMPACT AREAS

The kitchen and bathrooms are the most important rooms in your home. A kitchen can sell a house because it is the heart of the home — the gathering place for family and friends to enjoy each other's company. Dirt and grime, cooking odors, and trash will turn off buyers. Clean all cabinet surfaces and the area beneath the sink.

Bathrooms are so important to Americans that the majority of homes have two or three. As you work to sell your home, the bathrooms must remain clean and odor-free.

A subpar child's room may be overlooked by prospective buyers, but a subpar bathroom or kitchen may cost you the sale.

PET PEEVES

Pets are wonderful, but prospective buyers prefer to see your home without them. Domestic animals are not distinguishing features or selling points for homes; pet dander and odor will not provide a pleasant viewing experience. Some prospects may be allergic to animals, while others may dislike them. They are an unnecessary distraction for all buyers. Reduce the presence of pets. Dog dishes, litter boxes, and beds should be kept out of sight. Pets should be kept in cages or the backyard while you are showing your home.

You are now ready to list and showcase your home after completing all of the staging work.

The following section will teach you how to price your home. A real estate professional is your best resource for learning how to sell your home quickly while not lowering the price. When it comes to selling your home, there is a lot to learn about pricing, marketing, and negotiating.

CHAPTER 8

How to Market Your Home



This book's goal is to provide insight and advice on how to sell a home quickly and for the most money. Previous chapters covered real estate sales terminology and concepts, with a strong emphasis on the dos and don'ts of preparing a home listing for the best presentation, and thus price.

The goal of the following chapters is to help you understand what factors influence the price and market value of a home, specifically your home.

Despite the term "buyer's market," keep in mind that it is always a "seller's market" as well. Homes are required, and homeownership is prized. We don't live in caves or tent cities. Real estate will continue to be a commodity.

Furthermore, your house is one-of-a-kind. There is nothing else like it. Whatever uniqueness you have created within

your property sets it apart from the homes of your neighbors.

Because homes are not sold from store shelves based on seasonal holidays, there are no hard and fast rules for when to sell. People change jobs, are transferred, or decide to relocate due to family circumstances at any time of year.

Your home's value will be determined by the sale price of recently purchased comparable homes at the time you decide to sell, regardless of the season. The bottom line is that you determine the asking price of your home, either alone or with the assistance of a real estate professional.

How do you make your decision? What is the most effective way to gain online exposure? Do professional photographs influence online shoppers? What else can you do to market your house?

The following chapters will answer these questions to help you sell your home for the highest possible price.

THE PRICE IS RIGHT

A real estate buyer is no different than a buyer of a painting or a bag of oranges. Value perceptions of both sellers and buyers will always play an important role during the sale. Market value and perceived value are not the same things.

To get the best price, you must know how to price your home strategically and correctly from the start.

As a seller, keep two things in mind when deciding on a listing price.

For starters, sentimentality has no monetary value. The buyer does not share your emotional attachment to your home. The majority of buyers who are shown multiple properties do not expect yours to be "the one." You will have to work hard to persuade them to make that choice. Avoid allowing emotion to influence the price of the property. Set aside all emotions during the selling process. Buyers seek cues to determine your motivation to sell.

Furthermore, there is no direct dollar-for-dollar relationship between upgrade investment and market price. As previously stated, a \$25,000 kitchen renovation will not raise a \$275,000 home's market value to \$300,000. Don't assume you can add that amount to your asking price and become trapped by making your home the nicest, but also most expensive, in your neighborhood.

SALE PRICE VS. MARKET VALUE

The "sale price" is when you have a ready-to-buy, bank-qualified buyer who is willing to pay a price you will accept. It is an unaffected objective fact.

Once completed, this sale price transaction will have an impact on the market value of homes in the area. You set the price of your home by considering comparable local sales provided by a professional real estate agent, the condition of your property, and the current supply and demand.

What a piece of property might sell for in a competitive market based on its features and benefits, as well as the current supply and demand for similar homes, is its market value. You may place a higher value on your home than what a buyer will pay or its true market value. Market price and market value will be equalized in balanced markets.

When determining the value of a home, the perspectives of both buyers and sellers must be considered. Assume your house has a lot of mature trees, which you consider a plus. However, a buyer who despises raking leaves will see this as a disadvantage.

You might think you can set a higher price if you just spent \$10,000 to replace your roof, but buyers already expect the roof to be in excellent condition. Proximity to schools, bus routes, and medical facilities can add value that some buyers will pay for.

Buyers look for the best deal, but their willingness to pay or the bank's willingness to finance has limits. When it comes to selling your home, strategic pricing is your most powerful tool.

PRICING EXAMPLE

When a homeowner decides to sell their home, they must set an asking price. The home's market value is estimated to be between \$290,000 and \$300,000. There are numerous houses on the market.

Here are some pricing considerations and methods for determining the "right price":

- **The “leave room for negotiation” approach.** The market value is "stretched," say to \$305,000, in this approach. The price will not entice a buyer, but comparable homes may become more desirable. The house is unlikely to sell quickly or at that price.
- **The “price it according to worth” approach.** The price is set right between the market value benchmarks, at \$295,000. Home buyers are likely to

- lump the home in with similar-priced homes, knowing they can buy it at any time for \$295,000.
- **The “underpricing generates interest” approach.** Underpricing at \$280,000 will entice buyers and possibly spark a bidding war. However, the goal of selling the house for a higher price is derailed.

THE COMPARATIVE MARKET ANALYSIS

When it comes to finding a buyer, pricing your home based on comparable, real-world sales is critical. Pricing strategically requires a Comparative Market Analysis. When you request one from a real estate professional, make sure to read it carefully, ask questions, and get explanations. If properly completed, this comparison report not only provides you with a great listing price but also reduces the possibility of your home being under-appraised. If your home is reasonably priced, you should be able to show it within the first few days on the market. Offers should arrive within a few weeks.

PERCEIVED VALUE

The more willing a potential buyer is to buy if the perceived value of your home is greater than the actual price. The closer the price and perceived value are, the less urgent the purchase becomes. This entails marketing the home to meet the buyer's specific requirements and desires. A real estate agent can assist you in learning about the buyer's hot buttons so that your marketing and presentation can be tailored accordingly.

SELLING BY SHOWING OFF

Buyers looking for a home before the internet, cell phones, and social media perused local Multiple Listing Service (MLS) books filled with tiny, grainy images of homes. Photos of featured homes (paid advertisements) were larger

and occasionally in color, but the majority were black-and-white amateurish photos. In comparison to the information provided below it, the photo was insignificant.

Today, the opposite is true. Photographs have evolved into the most effective lure for attracting future homeowners. According to recent studies, 93% of buyers shop for homes online before contacting a real estate agent. They search the internet for homes that appeal to them, then contact a Realtor®.

Beautiful, engaging photographs of homes, both inside and outside, make the best first impressions. One of the most important ways to market your home online is through photography.

Listing photography is an excellent tool for highlighting your home's best features. Bright and colorful images of inviting spaces encourage buyers to imagine themselves at ease and happily living in your home. You can generate genuine interest by emphasizing the unique aspects of your home, such as large rooms with great views or amazing architectural features. Stage your home so that every photo has the illusion of space and light without distorting reality.

MAXIMUM TARGETED EXPOSURE

When you hire an agent, they will be able to list your home on all major real estate portals, including Zillow and Realtor.com. Buyers visit these websites in droves to find new listings. The agent can also promote your home on their website and social media channels. Zillow alone accounts for 29% of traffic to real estate websites every month. When selecting an agent to sell your home, ensure that they provide the most targeted exposure to potential buyers via the online marketplace. Check to see if they are

up to date on all online marketing techniques and can provide advanced technical services to sell your home:

- Visual maps, such as Google Earth
- Floor plans or 3-D floor plans
- Video tours
- Updates on buyer activity through the agency
- Electronic documents
- 360 Degree Virtual Reality Tours
- Social media exposure
- Virtual home staging (if your home is empty)

Selling a home quickly and for a higher price requires effort. Make certain that the home has been properly staged and is ready to sell. Use every tool available to achieve your goals. Work with a real estate agent who understands the importance of good photography as well as an aggressive internet marketing campaign to bring ready buyers to your listing.

CHAPTER 9

Common Seller Mistakes

This list of common sellers' mistakes regarding house listing pricing can assist you in avoiding the pitfalls associated with selling your home. You would not need assistance in pricing your home correctly if setting a price was straightforward. Avoiding these costly mistakes will save you time and money.

PRICING MISTAKES

The first several seller mistakes are related to pricing.

Guessing vs Researching

It is not a reliable method to base your home price on what your neighbor down the street listed his home for. Nothing turns off prospective buyers faster than an overpriced home. Subsequent price reductions give the impression that you're desperate to sell, which encourages lowball offers. However, you do not want to underprice right away. A lower listing price may shorten the time it takes to sell, but you may be leaving thousands of dollars on the table. Learn how to price your home correctly based on research.

Your best source for determining an asking price is the Comparative Market Analysis. If a house in your neighborhood sells for a low price, don't assume yours is worth the same. That home could have had condition issues or a personal issue that necessitated a quick sale. Your house may have something that the other one does not.

Allow the Comparative Market Analysis (CMA) and the advice of a real estate professional to guide you.

Hiring a Realtor® from Highest-Price Suggestion

Choosing a real estate agent solely based on a higher asking price for your home than other agents is not in your best interests. A good Realtor® will be more knowledgeable about the market for your home than you are. Choose an agent who can provide you with hard numbers and solid marketing strategies. The person you choose to sell your home should be knowledgeable about the area, trustworthy, and quick to respond to any questions or concerns you may have about the entire selling process. Avoid this error by interviewing several agents and choosing the one who provides sales data and a strategic listing price rather than the highest price.

Subjective Pricing

Selling your home is a business transaction between you and a qualified buyer. If you've enjoyed living in your home for years but have decided to move on, don't let emotional attachments to the property influence how much you're willing to pay for it. The CMA provided by your real estate agent will provide the most objective price. Memorable moments spent in your home are priceless, but they do not increase the value of your home. It is also unrealistic to add money because of the labor involved in transforming the house into the home you desired. You can keep emotions at bay by focusing on the CMA results and maintaining a firm, strictly business attitude.

First-Day High-Price Blues

The first 10 days on the market are critical for your home. Once your home is listed on the MLS, you will be able to see how much interest it generates. Buyers will pass you up

if your price is too high because the home is out of their price range or out of sync with the market. They will have moved on to other properties by the time you decide to lower the price. Buyers will wonder why your home hasn't sold and will conclude that it's undesirable in some way as it sits on the market.

Pricing it correctly from the start will generate interest and attention from buyers, allowing it to sell faster. In the long run, unrealistic pricing costs money.

Un-rushed High Pricing

Even if you're not in a rush to sell, testing the market by listing your home at a high price to "see how it goes" is a bad idea. Serious home buyers may spend months looking for a new home. They are constantly looking for new listings, not ones that have been on the market for a long time. Thinking that the market will turn in your favor is also risky. You may lose money if prices in your area fall. You can sell your home faster and for more money, if you price it according to current market values.

Price Dropping

Another pricing trap to avoid is listing your home far above comparable homes in the area intending to lower the price after three months if it does not sell. That could be feasible in a stable or growing market. However, if the market in your area is declining, you may be forced to lower the price even further to catch up.

Price competitively from the start. Do not be afraid to reassess your local market. Determine the fair market value of your home with the help of your real estate agent. At all costs avoid "*chasing*" the market.

OTHER SELLERS' MISTAKES

Zillow has compiled a list of "Don'ts" to assist people in avoiding the pitfalls of a successful sale.

Selling Before Getting Qualified Yourself

It is risky to enter into a contract to sell your home before you are qualified to buy another. Your financial situation may have changed since your last purchase, and you may no longer qualify for a loan, or you may be unable to sell at a price that allows you to purchase the type of replacement home you want. You may have to rent or purchase another house that is less than ideal. Before you decide to sell, get pre-approved by a lender you trust and research the housing market in the area where you want to live to get a good idea of how much it will cost you to buy. Make plans in case you need to relocate.

Wasting Time on Unqualified Buyers

It is pointless to show your home to someone who cannot afford it. As an example, consider the seller who spent two weeks preparing his home for a friend who wanted to buy it. The seller spent \$1,000 to have an old shed removed and met with the prospect several times to discuss the price and terms. It was late in the process when the seller discovered the prospect did not qualify for a loan. Real estate agents put in a lot of effort to screen out non-qualified and unqualified home buyers.

“Hovering”

If at all possible, avoid being at home during a showing. If you are selling the house yourself, this is either impossible or impractical. If you have a real estate agent, you should leave when the house is being shown.

Buyers are wary of lurking sellers. Buyers may feel as if they are intruding and rushing through the process. They may be hesitant to discuss home improvements or features they dislike. Buyers will feel uneasy inspecting the house closely in the presence of the owners. When buyers have the opportunity to critique and discuss the home, it is easier for them to envision it as theirs. If you must be at home, try to stay out of the way and respond to questions only when they are asked.

Don't ask your agent to be present for all showings unless there's a legitimate reason. This will limit your ability to show. Other agents prefer privacy with their buyers and rarely have the time to work around your agent's schedule.

Waiting It Out

If you decide to wait, you will be joining the thousands of other homeowners who have made the same decision. When a few people decide it's time to take the plunge, it's too late. If you need/want to sell right away, do so. There will never be a better time than now.

Not Taking the First Quick Bid

This occurs frequently. When the seller receives a bite early on, he or she is suddenly filled with confidence that the house will easily sell and may even spark a bidding war. It's as if you're standing over a pond full of hungry fish. The first offer does not appear to be attractive, and you naturally assume that there must be bigger, juicier fish available. So you return the not-so-small fish to the water. That was a huge oversight. Remember a bird in the hand is worth two in the bush.

Becoming Friends with the Buyer

It's appropriate, even necessary, to be friendly, but don't let

the personal nature of someone being in your home lead to too many lengthy discussions with the buyers, because personality conflicts frequently cloud judgment. Keep an eye on what is said when discussing topics related to the house and neighborhood. Keep in mind that this could be their new home. You're probably excited about the move. However, buyers will begin to have second thoughts. A casual remark about the house "really being too small for a growing family" or "the schools are going through some changes" may suffice to crush their interest.

Underestimating Closing Costs

Many sellers are only concerned with the monetary value of their homes. They fail to account for all of the costs associated with the sale. According to Zillow, the following expenses are incurred:

- If you sell through an agency, you will be charged a real estate commission.
- If you intend to sell by owner, you will have to pay for advertising, signs, and other fees.
- Fees for an attorney, a closing agent, and other professionals.
- If applicable, excise/gains tax on the sale.
- Property taxes, homeowner association fees, and utilities are prorated costs for your share of annual expenses.
- Other fees (appraisals, inspections, buyer's closing costs, etc.) are sometimes paid by the seller.

Spending Earnest Money Given to You

Do not believe that earnest money paid when an offer is accepted is yours until the transaction is completed and recorded. There are far too many stories about sellers who spent the deposit money before the transaction was

completed. Buyers had to fight or sue for a refund if the transactions did not take place for reasons such as financing contingency or failure of inspection or repair issues. Another benefit of using a real estate agent is that the agent acts as a neutral party, holding the deposit for you until closing day and ensuring that your contract specifies what happens to the funds if the transaction does not close.

Forgetting to Cancel/Switch Utilities and Insurance

Many sellers fail to notify utilities that they are moving or to apply for utility service at their new residence. As soon as a contract is signed, contact the utilities and your insurance company. Determine how many days' notice they require to switch or cancel, and then contact them once you have a firm closing date.

Letting Emotions Take Over

Maintain your cool throughout the selling process, particularly during and after a home inspection. Be realistic and expect problems to arise. It is not uncommon to be required to pay for some repairs. Don't let the buyer's request for a minor repair derail the sale.

On the other hand, don't commit to fixing anything ahead of time (e.g., "Sure, we can put on a new roof") unless you're confident you can handle it emotionally and financially. Determine the types of repairs you can reasonably handle, and then commit to that decision. Some repairs can become unmanageable and end up costing you a lot of money.

CHAPTER 10

Learn From Others' Mistakes



Finding out what other people have done wrong can help you avoid selling your house for less than it's worth and losing money. These are examples of costly mistakes, including bank errors. The final story demonstrates how important it is to price your home correctly the first time in a changing market.

UNDERPRICING: THE EASIEST WAY TO LOSE MONEY ON YOUR HOME SALE

Underpricing is the #1 reason people lose money on their home sale (that is, they do not get all of the money they could). They believe their house is worth 'x' dollars without doing any research. They list their home for sale, sell it for less than it is worth, and never realize their error. That is why it is critical that you understand the current market value of your home.

The sellers, for example, sold three acres worth approximately \$300,000 for only \$80,000. They lived about 30 miles away and were unaware of the property's development potential. They hired an agent who was unfamiliar with the area and failed to recognize the potential for development.

Their buyer was knowledgeable and experienced in the field. He looked into the zoning and discovered that the three acres were zoned for high-density condominiums. The sellers were unaware of the zoning, nor were they aware that the county intended to build a new road adjacent to their property.

You can probably guess where this one went. In the end, the sellers were unaware they had left over \$200,000 on the table until condo construction began.

BANK ERROR

Banks understand that when a buyer makes an unsolicited offer, the offer is usually below fair market value. In one instance, a bank lost more than \$30,000 due to an error based on that assumption. Two people were interested in purchasing real estate. It was in an excellent location and was unlike any other property in the area. Both buyers were eager to make an offer before someone else could.

Either of them would have been willing to pay the property's fair market value of \$100,000. Money was not an issue; both buyers could pay in cash. Unfortunately, the bank declined all offers on the property. They would not budge until it was publicly traded. They listed the property for \$67,000 for some reason, possibly due to an oversight.

The bank first underpriced the property by \$33,000. Second, the hired agent did not properly market it. The MLS listing contained mistakes. As a result, it did not appear in search results for other agents who had buyers looking for a property of that type. The address was wrong. As a result, the listing did not appear on any real estate websites that used a map display. Finally, the agent failed to place a sign in front of the property. (The eventual buyer lived down the road and drove past the property every day.)

Each buyer waited for the listing to appear after the bank refused to work with them. They gave up when it didn't come up in searches. Both buyers eventually moved on to other properties. Meanwhile, the property sat unnoticed on the market. No interest was generated as a result of the agent's mistakes, and the property went into foreclosure.

The man who lived nearby was aware that the bank was attempting to foreclose on the property. He went to the courthouse to do some research on the foreclosure. He discovered that the bank had successfully foreclosed. He went online and searched through all of the properties for sale until he found the listing, knowing it had to be listed somewhere. To his surprise, it was priced significantly lower than the market.

If the bank and the agent had not made errors, the two initially interested buyers would have made offers and likely started a bidding war. The two buyers would almost certainly have driven the price up to the fair market value.

The majority of bank-owned properties are priced below market value for a reason. Banks will discount homes sold because they have been vacant for months and the banks do not know their condition.

The bank lost \$33,000 by failing to sell at full price. The land was acres of undeveloped pasture. It went off without a hitch. The buyer had lived down the street for years and was well acquainted with it. They submitted their asking price, which was accepted by the bank. He saved \$33,000 because the bank's agent performed poorly and significantly underpriced the property. The bank suffered a substantial loss.

ERRORS IN PRICE ADJUSTMENTS ARE COSTLY

Pricing adjustments may be necessary from time to time. Take, for example, Tim and Sue's situation.

Comparable Home A: \$368,000

Comparable Home B: \$349,000

Tim and Sue's Home: \$345,000

Comparable Home C: \$345,000

Comparable Home D: \$333,000

Comparable Home E: \$329,000

Tim and Sue appear to have set a competitive market price for their home. The market will change over the next month.

Comparable Home A: Expired

Tim and Sue's Home: \$345,000

Comparable Home B: \$339,000 (Reduced Price)

Comparable Home C: \$335,000 (Reduced Price)

Comparable Home D: Sold

Comparable Home E: Pending

Comparable Home F: \$326,000 (New Listing)

Comparable Home G: \$325,000 (New Listing)

Comparable Home H: \$319,000 (New Listing)

Tim and Sue now own the most expensive home in their price range in the area. When compared to comparable home prices, it is now the worst value proposition in the market. Most sellers, like Tim and Sue, are unaware that the market can shift so quickly. It cannot be overstated how critical it is for you to price your home correctly the first time. House D was sold, and House E was on the market from the start.

WHY SHOULD THESE STORIES MATTER TO YOU?

Do you see how critical it is to understand the true value of your home? The moral of the story is: In the real estate market, anyone can lose money. A seller who is unfamiliar with the ever-changing market runs the risk of selling the home for less than it is worth or losing a sale due to incorrect listing pricing. Most sellers aren't even aware of it. Private sellers make pricing mistakes all the time. Knowing the true value of your home protects you from settling for less money.

HOME SALE “HORROR STORIES”

Any real estate transaction has the potential to go wrong. Issues can arise as a result of ignorance, mischief, or larceny, complicating or costing the seller money. A real estate professional will provide knowledge, dependability, and action in the transaction.

Pre-closing Error: Buyers Moving in Too Soon

A homeowner who was represented by an agent was selling a house in a small town in Washington State. She accepted a buyer's offer, relocated, and awaited the transaction's completion.

The seller discovered that the buyers were moving in before the closing date. The seller contacted her agent, who contacted the buyers' agent, noting that the buyers should not have had the keys and should not be moving in. (There are several legal reasons for this). The buyers informed their agent that they believed it was acceptable to move in before closing.

While the buyers did not have the opportunity to move in sooner, they did transfer utilities to their name well before closing. The agents collaborated to explain to the buyers that they could not turn on utilities in their name until escrow closed.

"I don't think they ever really understood why," the seller's agent explained.

Fraudulent Buyers

A real estate agent was working for sellers whose homes had been on the market for several months without being sold. They were overjoyed when a couple made a cash offer on their \$400,000 home. The buyers provided a letter of proof of funds from a brokerage firm. The home inspection was attended by the buyers' extended family. It was similar to a holiday open house.

The brokerage later informed the agent that the proof-of-funds letter contained a forged signature. The prospective buyers vanished.

The agent now double-checks proof of funds and pre-qualification letters.

Homes Not Researched

A woman purchased a rural home without the involvement

of real estate agents. She discovered two years later when she went to list the house, that it had once belonged to a person who was in jail for on-site methamphetamine production! The revelation also obligated the homeowner to decontaminate the home and ensure it was fit for resale, which cost her a whopping \$16,000 in the process.

Pressure to Sell from Your Agent

In the late 1990s, homeowners in Washington, D.C. were selling a starter home. They wanted \$235,000. When they received a \$226,000 offer with the buyer demanding \$6,000 in closing costs, their agent pushed them to seriously consider the offer. They eventually sold for \$228,000, while honoring their agent's closing cost request. Homes in this neighborhood were selling for between \$650,000 and \$700,000 before the housing crisis.

“In hindsight, I felt that I’d been negotiating against three people—the buyer, his agent, and my agent,” said the seller. This is no way for a seller to feel.

Pre-closing Error: Large Bank Deposit Causing Delay

Three days before closing, a couple purchasing a seller's home deposited \$8,000 in cash into their checking account. Their father had given them money to purchase new furniture and household appliances. The day before, their mortgage company checked balances, and it was "dinged," as it required a gift letter. The father had just left for a hunting/fishing trip in Michigan, and no one could reach him. This added two weeks to the closing date.

CHAPTER 11

Finding Buyers



You now understand the significance of pricing and how technology drives real estate today. How do you go about finding buyers? The previously discussed strategic pricing and aggressive marketing plan are the two most valuable tools for finding ready buyers.

According to recent National Association of Realtors® surveys, 95% of buyers used online tools to help them find a home, and 87% recently purchased a home through a real estate agent or broker.

Your house can be seen from anywhere, but you shouldn't rely solely on exposure. Smart agents will highlight your home on buyer-targeted websites. Website search functions should use criteria such as schools, neighborhoods, and subdivisions to filter results. Buyers look for a home in a neighborhood that fits their lifestyle. The dedicated website should provide buyers with a wealth of information about the proximity of schools, shopping centers, restaurants, and entertainment. This is a great way to find potential buyers. You want your home to appear in the search results when a buyer is deciding where to live.

Even if the house meets all of their other criteria, a neighborhood of senior citizens and retirees without a designated school bus stop would not be suitable for a family with school-aged children. A bachelor may not want to live near children, even if he is looking for a two-story home with a garage. Your real estate agent should make certain that your listing is visible on websites that direct buyers to homes that fit their lifestyle. This will aid in the elimination of uninterested customers.

GIVE YOUR HOME A “YOUTUBE” TOUR

A YouTube tour, which can be linked to most major search engines, gives the buyer a personal perspective on living in the house. If you do this, be proactive in getting the video out there. Send links to the video to anyone who might be interested, and make sure your real estate agent does the same. Insist on having it posted on your agent's company's website.

Additionally, make use of marketing vehicles other than traditional Realtor® networks. Two out of every three buyers begin their search online.

If you are unable to properly market your video, ask your real estate agent to do so on your behalf.

Your best bet is to talk to a real estate agent who wants to list your home using aggressive online marketing. You want to ensure that the agent has up-to-date social media plans and outlets. You want to increase your exposure while also generating interest from your target market.

The CMA will assist you in strategically pricing your home, and your online presence should bring you, interested buyers.

CHAPTER 12

Be a Power Negotiator



Negotiating the sale of your home does not have to be intimidating. You can get the price you want from the buyers if you understand how real estate negotiations work and how to apply tried-and-true techniques.

KNOW MORE THAN YOUR BUYERS

Motivation and skill are the two most important aspects of negotiation.

- A motivated buyer is looking for the best deal, and you, the seller, are looking for the best price.
- A skilled negotiator excels at working under time, information, and communication constraints.

WHAT MOTIVATES A SELLER

- Time on the market
- Relocation
- Pressures of maintenance and upkeep
- Emotional and mental stress, especially during divorce

Selling a house is a complicated process. To be a strong negotiator, you must avoid allowing emotions to take over the situation and force you to accept a lower price. Concerns about paying the mortgage while the house is on the market for six months, or having to relocate out of state, are major stressors for sellers. Maintaining a home in show condition for months on end can be physically taxing. Finding the right buyer can be mentally and emotionally taxing for some sellers. Knowledgeable buyers will go to any length to obtain the desired price.

WHEN THE COMPETITIVE PRESSURE IS ON

Remember that when dealing with an informed buyer, the party with the most options will win the negotiation. The buyer may have looked into the history of your home on the market. If you've moved, they may believe you're desperate to sell and will try to negotiate a lower price. On the other hand, if the buyer believes you have three other buyers with higher offers, they will have to raise their price or walk away. Sharpen your senses to recognize when a buyer has no other property options.

Perceptions have a significant impact on negotiations. You have the upper hand if an interested buyer believes you rejected higher-priced offers. On the other hand, the buyer may express interest in other properties, putting pressure on you to accept the offer. To avoid costly mistakes, the key to being a power negotiator is to remain calm and focused throughout the process. Knowing your buyer's motivation without revealing your own will give you an advantage.

LET TIME BE ON YOUR SIDE

In the sales industry, time constraints are unavoidable. It can be seen at antique auctions, construction job bids, and car sales.

Time is an effective negotiating tool. Buyers are advised by real estate agents that a seller under duress will provide the best deal. As a result, savvy home buyers will gather as much information about the seller as possible.

For example, if a buyer knows a seller is in foreclosure and must sell the property before losing it, the buyer has an advantage. They are aware that the seller is under time constraints and will use this information to make lowball offers. To increase the seller's desperation, the buyer may "play it cool" and not return calls or messages promptly.

Buyers seek out time-sensitive situations to get their prices. Sellers who are behind on mortgage payments, have recently retired, or are under contract for another home that is contingent on the sale of this home are prime targets for high-pressure tactics from savvy buyers. Buyers may approach you and ask questions to determine whether any of these scenarios apply to you. Eagerness to please them may be read as desperation.

Buyers are also subject to the waiting game. Acceptance time can be a powerful tool in price negotiations in real estate. From the standpoint of a buyer, the longer the house has been on the market, the more flexible the seller will be. The same is true for negotiations. The more time buyers spend negotiating the sale, the more likely they are to get the price they want.

Buyers will spend time with you to build relationships, trust, and your willingness to agree to their terms. The benefit to you is that they may not want to walk away empty-handed after gaining your trust. You can keep your position on terms and price by being patient.

KNOWLEDGE IS POWER

The key to successful real estate negotiations is information. The more information the buyer can obtain from you, the more pressure you will be subjected to. At the bargaining table, the more knowledgeable will outnumber the less informed. The buyer's negotiating power grows in direct proportion to their understanding of your motivation to sell.

Don't be afraid to ask questions. Don't be cold or uninterested. However, keep in mind that this is a professional transaction between strangers, and don't be overly forthcoming.

When the buyer asks what appears to be a difficult question about an offer, they are looking for direct responses and your reactions. Maintain a professional demeanor and avoid displaying a desire to sell.

Answering another question is a simple but effective technique for dealing with a difficult question without divulging information. If you're asked how long your house has been on the market, simply say, "Not long." Then, calmly inquire as to how long the shoppers have been looking. Their responses may provide you with information about their stressors.

When asked why you're selling, give vague reasons. Turn the tables once more by asking the same question. A buyer may ask how soon you want to move to see if you have any time constraints. Tell them you're flexible, even if you want to move right away. It's now your turn to ask them when they want to move.

Returning the question to the buyer keeps you in control of the information. The price you paid for your home has no bearing on its current market value.

If you've given serious thought to your asking price, answering questions about it shouldn't be difficult. Tell them if you used professional market value estimates. Remember to mention recent sales of comparable homes as well as the improvements you've made. A home buyer is concerned about competing offers from other interested buyers. If they inquire, simply state that there is interest but "nothing on paper." Don't be specific with other prospective buyers about where you are in the process.

Buyers may inquire as to why your home has not yet sold, and you can respond by saying you are waiting for the perfect buyer (like them!). They will almost always ask for the lowest price you will accept or if the price is negotiable. Inform them that you haven't had much time to consider it. In response, inquire as to the price they had in mind, adding "as long as the offer is negotiable."

When dealing with buyers, keep this goal in mind. Answer questions thoughtfully but vaguely, revealing little. It is effective to manage your responses by asking them questions in return. Always try to persuade the other party to reveal their thoughts.

Aside from that, some real estate agents may request information from the listing agent. If a buyer's agent contacts you, he may be looking to exchange sensitive information to close the deal. Discuss this with your agent so that you can trust them throughout the sale process.

CHAPTER 13

The Do's and Don'ts of Negotiating

Selling your home is a business transaction. Although it may feel like a multi-layered process, it is simply a buyer negotiating to purchase a seller's home for an agreed-upon price. As a seller, you must keep this in mind. Opinions, emotions, and ego may try to derail your efforts; resist.

The more you know about negotiating, the less likely you are to deviate from the sale process.

DO LET THE BUYER SPEAK FIRST

When dealing with a potential buyer, let patience be your guide. Don't be afraid to tell them what you're willing to accept; it could be less than what the buyer was willing to pay! Buyers have a price in mind for any sale transaction, even if it is a lawn mower at a yard sale. They may be willing to pay \$200 for the mower, but when they inquire, you respond with \$125. Take advantage of the ability to counteroffer. Allow the buyer to speak first. That is why it is referred to as an offer. It will either be an offer you can accept or more information about the price the buyer has in mind.

DON'T "MEET IN THE MIDDLE"

Even in the most straightforward of sales transactions, agreeing on a price frequently involves "meeting in the

middle." For example, a buyer speaks first and offers \$150 for an item that the seller expects to sell for \$200. The vast majority of sellers will split the difference and counteroffer \$175. Instead, the seller should counteroffer with \$220, keeping the midpoint at \$200. The buyer may accept the offer or agree to \$205, which is slightly more than the seller's planned asking price. Increase your bargaining power by counter-offering in small increments. Avoid "meeting in the middle," which is human nature.

DON'T ACCEPT LOW-BALL OFFERS

Homebuyers look for bargains. Consider how quickly you would buy a home selling below market value and in perfect condition that meets all of your requirements. That scenario is uncommon, but that doesn't mean buyers won't make lowball offers. If they see your house as the ideal home, they may shift their focus in negotiations to obtaining a lower-than-market-value price. Why would buyers pay less for your home if they truly prefer it over others? Maintain your focus and bargain accordingly.

DO BE QUIET AND LISTEN

Staying quiet is one of the best ways to negotiate a sale, whether approached by the buyer or the buyer's agent. Developing an overly friendly, feel-good relationship with either can interfere with your focused efforts to sell your home quickly and for a fair price. Buyers who are put off by your silence may want to break the silence by providing information that they need to know. Again, the more you know about the buyer, rather than the other way around, the better prepared you will be for negotiations.

DON'T BE MOVED BY AWKWARD SILENCE

If you're negotiating and the buyer makes an offer, don't feel obligated to respond right away. Make the buyer or

their agent speak first, whether it's for 10 seconds or 10 minutes. They might interpret your silence as a disappointment and decide to revise the offer or make a concession just to break the silence. Do not allow experienced negotiators to use this tactic to persuade you to accept a lower offer in the absence of a counteroffer from you and your agent.

DO LEARN WHAT MOTIVATES THE BUYER

Buying agents will sometimes work with you to learn why you want to sell your home. Agents understand that sellers only want to go to escrow once. If the buyer is advised to negotiate a lower price because of minor flaws discovered during a third-party home inspection, they will do so. More importantly, a buyer's agent may advise his client to offer the asking price even though minor flaws exist, only to later demand reductions to reduce the final sale price.

Recognizing that situations like this occur, don't let the process of selling your home exhaust you. Don't give up your time and effort just to keep things moving in escrow. To avoid problems during the sale, your listing agent should recommend a home inspection before you list.

DON'T FREELY GIVE OUT YOUR INFORMATION

When you have multiple offers on your home, the price is not always the deciding factor. What you tell the buyer can sometimes influence his or her offer.

Assume you have two interested buyers. One buyer offers the full asking price, expecting you to accept, but then tells you she needs a few months to finalize financing or get inspections. The other buyer offers \$10,000 less than your asking price but agrees to a quick closing with no financial or inspection contingencies.

While the first buyer offered more money, the second buyer was more convenient in terms of timing. If you were short on time, the second buyer solved your problem.

DO GET THE LAST CONCESSION

The key to getting the last concession is to remain calm and focused during the counteroffers. You gain the upper hand by asking the buyer to give something in return every time he or she comes back with another request, and the buyer will begin to back away from making unnecessary demands.

DON'T BECOME FLOODED WITH CONCESSIONS

When a buyer submits an offer to you, you should bring counteroffers to the table unless the offer is fantastic. Perhaps a different price and/or concessions — such as shorter closing dates, terms, contingency modifications, or incentives — will be offered in the negotiations.

When reviewing the offer, keep in mind any items that you would find unacceptable. A counteroffer is used to accept some (or most) of the terms of the buyer's most recent offer while changing others. Because there is no limit to the number of times a counteroffer can be made, ensure that the buyer must wait for your response. Your eagerness to respond could be interpreted as desperation on your part, giving the buyer more leverage.

DO MAINTAIN A BUSINESS DEMEANOR

Remind yourself that you want to sell your home for the highest possible price and in the shortest amount of time. Relationships between sellers and buyers come in all shapes and sizes, but no matter what happens, selling your home is a legal, documented business transaction.

Home selling has a way of infiltrating one's emotions and eliciting negative reactions. If the buyer has a big ego and acts like a know-it-all, make sure it doesn't affect you. On the other hand, if the buyer appears to be the sweetest, kindest, but the somewhat financially troubled person you've ever met, don't let that deter you from negotiating a fair price.

Even if the sale is going smoothly and quickly, keep your guard up. It's sometimes an indication that the buyers will back out of the deal. Both parties must engage in some discussion to prevent the buyer from abandoning ship or you from experiencing seller's remorse. You may have a feeling that the buyer would have been willing to pay more for your home afterward.

DON'T LET YOUR EGO GET THE BEST OF YOU

During negotiations, you may reflect on all of the effort and time you have put into selling your home. Hours spent cleaning, staging, showing, and communicating may suddenly flash through your mind. When confronted with buyers who are critical, demanding, or rude, you may wonder if your efforts were in vain. A similar retaliation can break a deal, so learn to deal with potential homebuyers objectively. Don't allow your ego to get in the way of a good deal.

CHAPTER 14

Bargaining Chips

The name of the game is selling. In previous negotiation chapters, we learned that potential buyers' counteroffers sometimes include personal property, such as appliances and window treatments, because these items are desirable but expensive to purchase new.

Extras can also be used as bargaining chips for a seller. You may make counteroffers that include appliances and other incentives to persuade the buyer to accept a higher price. This is an especially effective strategy when demand for homes in your neighborhood is low and prices are low.

Consider what you're willing to throw in to sweeten the deal when selling your home, and what items are "off limits."

Here are some items you may want to consider using as leverage:

- Major appliances: washer, dryer, fridge, stove, dishwasher
- Draperies, curtains, blinds, and shutters
- Custom-built furniture: bookcases or shelves that fit a particular spot in the house
- Barbecue or fire pit
- Patio furniture: planters, garden benches, and ornaments
- Garden shed

- Lawnmower, power washer, leaf vacuum, or other maintenance equipment
- Recreational equipment, such as ping-pong and pool tables, above-ground pools, trampolines, climbers, swing sets, and hot tubs
- Prepaid taxes or closing costs
- A year of landscaping, pool cleaning, or maid service

When you consider what items you are willing to part with, the decision-making process is relatively simple. Consider how frequently you use movable items as well as the cost of replacement.

You can provide a variety of other types of incentives. A buyer may request a transactional incentive. It's all part of the bargaining process.

Buyer requests or seller incentives may include the following:

- Reduction of the asking price
- Seller-paid points
- Help with the down payment
- Help with closing costs
- Offering to close in a short time
- Offering or transferring a home warranty
- Prepaid property taxes for one year
- Payment of HOA fees or landscaping and pool maintenance
- Offering a mortgage buy-down

If you get creative, the list is long, so go over each of these with your listing agent before agreeing to a buyer.

NOTE: Because of agency laws, the real estate agent may face limitations. There are also lender limits on buyer credits — and they **MUST** be properly disclosed — so stay within the laws.

UNDERSTAND WHY HOMES DON'T SELL

Homes that do not sell for an extended period are usually overpriced or too expensive for the neighborhood. Strategic pricing will always be the primary reason for a home's success.

Here is a list of some of the other common reasons why homes do not sell:

- The house is overly cluttered. Stacks and piles of stuff deter buyers.
- The interior of the house is out of date. Old styles, trim, or flooring deters sales, as do any necessary upgrades to freshen up the decor.
- The homeowner is not open to showings. Plan ahead of time to ensure that your children, pets, and you are ready to go at any time.
- The home is located in an abandoned development.
- The real estate agent did not provide an aggressive enough marketing strategy.
- The real estate agent failed to conduct a proper Comparative Market Analysis and failed to provide strategic pricing for the home.

CHAPTER 15

Why Hire an Agent?

This book contains a wealth of information on selling your home. You now understand how to set a listing price, market your home online, stage it, and negotiate. Isn't it sufficient to do the job yourself? Homeowners wonder if they can sell their home without using a real estate agent through online or traditional marketing and advertising channels.

Consider the following analogy. For your birthday, you received and read a book on investment strategy. The stock market is at an all-time high, but political and economic factors are disturbing the markets. There are weeks with 300-point gains and weeks with 400-point losses.

Are you prepared to manage your stock market or mutual fund investing? Do you have the necessary expertise, and can you handle the emotional ups and downs of seeing thousands of dollars of your money come and go?

The truth is that without a professional on your side, you're unlikely to sell. Even if you do, individual sellers frequently sell for less than those who use the services of a Realtor®.

In today's real estate market, the selling and purchasing of a residential property involve a large number of people with varying skills and expertise who are involved in the

transaction from beginning to end. It takes several steps to complete the sale of your home.

It can be difficult for sellers to anticipate and coordinate every step required to prepare their home to show, list, market, and sell. An experienced real estate professional who is knowledgeable in all aspects of real estate can greatly simplify the process. You don't need real estate expertise if you work with a professional who already has it.

No matter how long you've lived in your house, a local real estate professional will know far more about the sale price history and market trends than you do. Because real estate agents are paid a percentage of the sale price, it is in their best interest to price your home correctly. They want to earn the highest possible commission, but they also want to make a profit in a reasonable amount of time.

Real estate agents collaborate with a variety of contractors and professionals. They can advise on the reputations of service providers and provide references from previous clients.

Agents either have intimate knowledge of your area or the contacts and resources to find the information you require. They can find more demographic and statistical information and identify comparable sales than the average person.

For example, you may be aware that a home down the street was listed for \$300,000, but a professional real estate agent will be aware that the home had upgrades and sold for \$265,000 after 45 days on the market.

A real estate agent will also have information about market conditions, which will affect your selling process. Many factors influence your decision. Data such as the average per-square-foot cost of comparable homes, median and average sales prices, the average number of days on market, and list-to-sold price comparisons will have a significant impact on what you ultimately decide to do. Attempting to sell your home without an agent requires a significant amount of time, resources, and understanding and organizing all of the work.

The ethics and ability to build relationships with clients and the community they serve are critical to the careers of professional agents. Agents looking to make quick money rarely go through the trouble of developing a solid marketing strategy or working on strategic pricing.

Here are some characteristics to look for in an agent. Is he or she...

Current? Is the agent current on housing trends so that they can serve you effectively?

Connected? Does the agent have the necessary contacts who can assist you at every stage of the selling process? Home inspectors, quality service providers, other brokers, and county officials are all part of a network of connections.

Knowledgeable? Is the agent knowledgeable about the current market and capable of strategically pricing your home? Is he/she aware of what makes your neighborhood unique to set your home apart from the competition? Is he/she aware of what to highlight in your area to entice buyers?

Organized? An agent must pay close attention to your specific needs, communicate effectively, and respond quickly to leads.

Personable? Agents who genuinely want to help you will "go the extra mile with a smile." They should be able to sell themselves as well as your home to a buyer.

Passionate? Some agents view their job as a hobby or a way to supplement their income. Find a real estate agent who is enthusiastic about the job.

Tenacious? A strong work ethic is required of successful agents. They are efficient and use time-saving tools to help sell your home.

Honest? Professional real estate agents build their reputations by upholding high business standards.

Self-motivated? Real estate agents work on a commission basis. Successful agents work hard because if their clients benefit, so do they.

Creative? It can take some ingenuity to properly showcase a home, create engaging content, and negotiate a sale. You will benefit from an agent who can quickly address any marketing need.

Tech-savvy? Agents who are up to date on the latest technology for marketing homes should have a website, social media accounts, user-friendly home search options, and high-resolution images of homes, videos, and slideshows online. Some real estate firms offer smartphone apps.

A real estate professional wears many hats. He or she must be skilled in marketing, negotiating, consultation, legalities, property taxes, and, most importantly, gaining client trust. An agent who can meet your specific needs is well worth the commission he or she will receive.

Having an agent represent you in the sale of your home benefits you. Agents negotiate from a unique perspective. They can separate themselves from the emotional side of the transaction, unlike most buyers and sellers. Agents are more skilled at negotiating because it is a regular part of their professional work, and they have gained skills through frequent practice. After all, it's part of the job description and training for a real estate agent.

Good agents are more than just go-betweens who deliver buyers' offers to sellers and carry counteroffers back and forth. They are trained professionals who advise their clients on options and consequences before presenting their clients' cases in the best light. They agree to protect client information from competing interests.

The real estate agent can act as a go-between for the seller and the buyer, keeping the transaction professional and "at arm's length." This is especially important during the negotiation phase when emotions are likely to run high. All phone calls that lead nowhere, including bargain hunters and real estate shoppers, can be further filtered by the real estate agent.

For several reasons, having a real estate agent available when the home is being shown is a distinct advantage. The scheduled calls will be handled by the agent, who will arrange them for the seller's convenience. The agent will show the property, saving the seller time, and will also

answer any follow-up questions. In short, hiring an agent will save the seller time and effort while encouraging serious buyers to submit an offer right away.

SERIOUS CONSIDERATIONS

The decision to sell your home requires viewing the big picture from beginning to end. You should now have a better understanding of what it takes to sell your home quickly and for the most money possible.

However, let me summarize what you should think about to avoid problems during the process. Discuss this list with your trusted agent to avoid any misunderstandings by you, your agent, or an interested buyer.

- **Selling your home before you are qualified to buy another** — Financial circumstances change, as do loan requirements.
- **Guessing your mortgage payoff** — Know if penalties exist.
- **Underestimation of closing costs** — Determine the fees, taxes, and commissions that must be paid.
- **Spending earnest money** — If the sale falls through, what happens to the money?
- **Befriending potential buyers** — When buyers want to be your friend, discretion is essential.
- **Fear of low appraisals** — You have options if this happens.
- **The stress of showings, remodels, cleaning, and phone calls** — Allow your agent to handle the majority of the responsibilities associated with selling your home.
- **Facing inspection requirements** — Know what is expected for your home to pass.

- **Being prepared for closing** — Your agent and your lawyer should let you know what to expect.
- **Flexibility and readiness to show your home** — Make plans so that showings do not interfere with your family or your life.
- **Letting buyers see your home in your absence** — Buyers prefer to view properties without the seller present to hear their criticisms. Your agent should handle any inquiries.
- **Weeding out non-qualified buyers** — You have the option of requesting that only qualified home buyers view your property. It's a waste of everyone's time — especially yours — if they aren't eligible, even for creative financing.

HOW TO
SELL HOMES
FAST FOR
TOP DOLLAR



Are you ready to tap into the best-kept secrets of successful home sellers? You can sell any home in any market when you know these secrets. This book reveals the most effective tactics to get the most money out of your home in the shortest amount of time. These strategies have helped sell thousands of homes, and now, you have them all at your fingertips.

The strategies in this book have been thoroughly tested and proven effective time and time again. Don't miss out on this opportunity to learn tips and tricks employed by the wealthiest home sellers!



In this book, I've provided an effective guide for you to have the most successful real estate transaction possible. If you don't have time to implement all of the strategies discussed in this book, I'd be more than happy to provide my expertise and services to help you buy or sell your home.



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