



# 11 Things You Need To Know Before Selling Your Seattle- Area Condo

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# About Seattle Homes Group – Coldwell Banker Danforth

We are proud to be the top-selling team for Seattle's top-selling full service real estate office. Technology is changing the way we do business, and the service we provide to our clients.



Let us help you prepare for selling:

- Get immediate automatic emails when a condo sells in your neighborhood so you can stay on top of the local market.
- See new local listings on your phone as fast as we do. Sign up for our brand new app, which connects directly to our MLS for listings.
- Find out what your condo is really worth before you decide to sell. Get a free, professional CMA with the most up-to-date local data.

We're happy to answer your questions, even if you're not ready to sell yet.

**Managing Brokers:**

**Brian Wiegand, Certified Real Estate Instructor, 20+ Yrs Experience**  
**Sam DeBord, President-Elect, Seattle King County REALTORS®**

206-552-8820 – [Agent@SeattleCondo.com](mailto:Agent@SeattleCondo.com)

# Multiple Offers and Escalation Clauses: Going to Battle

The Seattle area is hot. Real estate inventory is low. With so many people moving to our area, and so few homes available for sale, the competition between buyers is fierce. That's especially true of the condo markets near our job centers.

As a seller, this works to your advantage, but it can also be complex and stressful if it's not managed correctly. To net the most money in a home sale, we'll need to negotiate for the best overall offer terms. Sale price is important, but there are other factors that could be just as important.

- Cash buyers can improve the likelihood of closing, and shorten the time-frame.
- Waived inspections can bring more certainty to the escrow process.
- Buyers who've lost out on other homes previously may be more motivated.
- Escalation clauses (which allow a buyer to offer one price, but go higher if necessary) can improve your sale price.
- Other factors like earnest money and incremental bumps in escalation clauses can sometimes make a slightly lower offer more attractive than a higher one.

In the current climate, we have to get our marketing ready to go full-speed the day your home hits the market. Professional photos, disclosures, prepared contracts, title reports, and marketing materials must be primed for a big first week on the market—because that's when most of our listings sell.

The key is to maximize your exposure in one week, and focus the buyer competition into one day of offers after the first weekend. It's a complex dance, but one that benefits sellers greatly if they are prepared and engaged for the experience.

# Home Inspections Before Making An Offer?

Buyers are competing heavily for the scarce condo listings in Seattle. They're looking for opportunities to have a leg up. That can include:

- Increasing price
- Shortening closing timelines
- Increasing earnest money
- Paying all cash
- Waiving contingencies

Sometimes that means pre-inspections: paying for a home inspection before even writing an offer. Since our sellers usually receive multiple offers on their condos, they need extra incentives to choose between similar offers. Buyers who pre-inspect a home will pay for an inspector (usually a few hundred dollars), verify the property is up to their standards, and then write an offer on the home.

## “Waiving the Inspection”

These buyers usually waive their inspection contingencies. That means they can't come back halfway through the sale and say the condo isn't good enough. They've guaranteed that they will close the sale based on the condo's current condition.

Sellers appreciate the confidence of a buyer who will waive their inspection contingency, as it increases the likelihood that the sale will close. While it's a risk for the buyer, we will often have multiple pre-inspections by buyers on properties that are well-priced and well-marketed.

A pre-inspection is a strong indicator to the seller that an offer will be written by that buyer. Multiple pre-inspections, in this market, usually means we will have some form of a bidding war.

# Zillow Has No Idea What Your Condo is Worth

Everyone wants to know what their home is worth. The Seattle area has had such significant home price appreciation in recent years that keeping up with your condo's value is a difficult job.

There are tools online to estimate the value of your condo. We have [one on our website](#). Websites like Zillow have similar tools, with similar results. They compare local sales data, similar home types, and the trends for pricing to create an estimate of what your home is worth.

They're also wrong. They're virtually always wrong.

- Average Seattle-area condo price: \$420,000
- Average margin of error of valuations from Zillow: 6.7%
- Average dollar value error of estimate: \$28,000

That's too much money to risk on believing a website over your own eyes. Online valuations are nice tools as a starting point, but they're nowhere near a real price evaluation. They're too dependent on algorithms, while not being able to see outdated kitchens, nearby visual blights, water views, obstructed windows, etc.

You'll work with your real estate agent to find the best comparable sales in your neighborhood, examine their condition, location, similarities, and differences together. By creating this Comparative Market Analysis, you'll see condos how your buyers see them, because what they actually pay is what the market value of your condo is.

With this knowledge, you and your real estate agent will arrive at a real world price for your condo that makes it attractive to buyers. Most homes are selling quickly right now when they are priced right.

Condos that are overpriced languish on the market, and buyers ask, "What must be wrong with that place?" Overpricing can be a serious mistake in an environment where buyers are bidding up well-priced properties.

# Spring Might Not Be the Best Time To Sell

Spring is when the most homes sell, so it's the best time to sell...right?

Selling your condo is about a single transaction. It's putting one perfect buyer into your condo. So, if the easiest time for you to sell, logistically, is winter or fall, is that really bad for your ability to sell? Statistics, increasingly, say no.

Technology has taken away some of the barriers that seasonally kept sellers and buyers apart in the past. Consider these changes in market dynamics:

The number of homes sold in the winter, compared to all other sales, has increased significantly over the past decade.

- Email and text alerts of new homes create opportunities for buyers to engage with new listings even when they're out of town or too busy to tour in person.
- Buyers spend more time online searching each year, which removes some of the winter weather deterrents that used to slow sales.

In the Seattle market it's clear that this is happening. Our tech employment has driven so much demand for homes that buyers are willing to write offers on holiday weekends, winter breaks, and during vacations. For the home seller who has a property available during the "off-season," while everyone else is waiting for spring, it's a great opportunity.

Recent studies have shown that homes listed in the winter:

- Sold faster than those at other times in the year.
- Netted sellers higher percentages above the asking price.

It defies common logic, until you really look at the motivation of a buyer who's willing to search in the winter. These buyers want a home now, and they are willing to be aggressive to get one.

So list your condo whenever it works best for you. There's going to be a buyer out there, no matter the weather.

# Choosing a REALTOR®: The “Guides” Are Wrong

You've probably heard that most consumers work with the first agent they talk to. Your co-worker's spouse is an agent. Your cousin has a real estate license. It's just easier to use them, right?

That's no way to choose the advisor that will guide you through the sale of your most valuable asset. Mistakes made by inexperienced agents during your condo sale could cost you dearly in terms of financial and legal liability. Make sure you find a REALTOR. Not all real estate licensees are REALTORS and not all abide by the organization's code of ethics.

There's no perfect formula for finding the right agent for you. There are plenty of guides online that tell you to ask 20 questions about sales, location, marketing, etc. There are really only two things that will make your selling process a boom or a bust:

1. Your agent needs to be an experienced, full-time professional who knows how to sell condos in the current real estate market.
2. You need to be able to get along with this person during a high-pressure transaction.

The second point may seem small, but the ability of your agent to properly communicate with you, buyers, buyers' agents, lenders, inspectors, title, and escrow professionals will dictate whether or not you feel your sale was a success in the end.

Your real estate agent needs, first and foremost, to market your condo well, negotiate a good contract, and get your sale to closing. You can see that easily from a sales history. We pride ourselves on being the #1 sales production team for Seattle's #1 full-service office.

Almost as importantly, you need to find an agent that takes away your stress, listens to your needs, is responsive to your requests, and manages the process like a pro. Find an agent whose personality will mesh with yours. It will greatly improve your experience.

# Disclosures Are Good For Your Pocketbook

You know that GFI outlet in your kitchen that doesn't work? Remember the time your upstairs neighbor's bathtub leaked through the ceiling? Is there a failed seal on one of your windows?

Don't hide it. Fix it if you can, but if not, disclose it.

Sellers' natural instincts to make everything in their home seem perfect is sometimes detrimental to their final financial outcome. It's always best to make your condo look as good as it possibly can, but pointing out its flaws can also have a big upside.

Buyers are nervous. They're told "buyer beware", and they do. They always wonder if a seller is hiding a major flaw in the home that they can't see.

By disclosing everything you know about your condo, you achieve two valuable things:

1. You avoid legal liability.
2. You create trust and confidence in your buyers.

If there is a material issue with your condo, and you know about it but you don't disclose it to the buyers, you could be in hot water when they find it. Many, many lawsuits in real estate related transactions have stemmed from sellers hiding problems that they clearly knew existed. It's not worth the risk.

On the other hand, when a seller delivers a list of known issues to a buyer, there is a sense of relief on the buyer's behalf. No home is perfect and your buyers know that. Showing your willingness to point out issues upfront will show them you're an honest seller and someone they can trust to buy a condo from.

An added bonus:

If sellers disclose these issues before buyers even present an offer, they can be a part of the initial negotiation process. Then, after mutual acceptance when the buyer inspects the property, buyers can't point out these issues to nickel-and-dime the sellers midway through the sale. They'll already be a known entity, and not cause alarm during the inspection phase.

# Your Condo is Clean Every Day, or You Lose Money

Marketing times for most of our listings are only a week or two right now. That shortens the amount of time you need to keep your condo de-cluttered, fresh, and clean. It also makes it that much more important that you do it every single day.

Buyers are making snap decisions because they know they have to move quickly. Minimizing clutter and keeping spaces open is critical for condo owners, especially if your square footage is limited.

They just know what they experienced:

- The smell
- The feel
- The light
- The space

The first appointment usually defines whether buyers write an offer, or move on. First impressions are usually the only important impressions in real estate sales.

- Box up unnecessary items.
- Put wall hangings in closets.
- Take EVERYTHING you can off your kitchen counters.
- Stack your storage space, or your garage if necessary, to the ceiling with items you won't be needing that month.
- Pick up everything, every day, before you leave your home.
- Use disposable wipes to clean up baths/kitchens daily.
- Make sure your condo smells fresh (don't slow cook a vat of curry right before an open house).

Look at your front door, your entry way, kitchen, view windows, and master. These are the areas that will make or break your buyers' initial experience. Do they look contemporary, clean, bright, and inviting? If not, talk to your agent about any improvements you can make.

Small investments can pay off in a big way. That goes for upgrades to important features, as well as the simple act of cleaning every day.

# The Ever-Expanding Contract: Avoiding A Lawsuit

If you haven't bought or sold a home in a few years, you'll be shocked at the changes in the process.

Some are great for you and save you time with simpler solutions:

- E-signatures
- Transaction management software
- Online loan applications

Legal liability and contracts, however, have gotten more complex. Sellers are expected to disclose more about material issues in their homes and potential hazards than in the past. The contracts that your agent prepares for you will likely have far more addenda and contingencies than you've seen before.

Our industry attorneys are constantly updating the way we write real estate contracts to keep you, and ourselves, out of legal hot water. While that's good for us all, it requires a more thorough analysis of your situation, the property, and the legal ramifications of the details of your purchase.

We may need to include contingencies for:

- Issues with financing
- Clouds on title
- Inspection or repair problems
- Delays in escrow processing
- Disputes between the parties

When written with the correct, up-to-date, and appropriately designed forms and addenda, your real estate contract can be a significant insurance benefit to you in case the unexpected happens during your sale. You need to have a long conversation with your agent before you get started to communicate your personal situation fully.

So be prepared to sign a few more pages of paperwork this time around. We'll make it easy on you with online e-signatures, but you'll be glad you hired an experienced agent when you go through the process.

# Seattle Loan Limits Have Changed: Did You Even Know There Were Limits?

There's a mortgage loan for almost every borrower out there. However, different mortgage products have different interest rates and down payment requirements.

The most commonly used loan are conforming loans, which are backed by the federal government. These loans have attractive interest rates, but the total loan size is limited based on your market location. Most of the financed sales we see today include conforming loans and FHA loans.

- 2015 Seattle market conforming loan limit: \$517,500.

That means you can buy a home for more than \$517,500, but if you want a conforming loan, you'll have to cough up the rest of the price as a down payment.

You could also apply for a non-conforming loan through your lender. That would give you the ability to get a jumbo loan, which would likely have a higher interest rate. It's an attractive option for those buying homes in the \$600,000+ range who'd like to keep their down payment amount as low as possible.

- 2015 FHA Seattle market loan limit: \$517, 500.

FHA is another kind of loan with government backing, and its loan limits can change yearly as well. This year, its limits for the Seattle market are the same as conforming. Check with your lender to see if loan limits are changing next year. It could make a big difference in your transaction.

FHA loans sometimes have a 3.5 percent down payment requirement, which can be attractive to buyers with smaller down payments. There are even programs like VA and USDA which, in some cases, offer no-down-payment loan options.

Let us put you in touch with a reputable local lender if you have questions about financing.

# The Government Just Extended Your Closing

You probably haven't heard of TRID. Everyone in the real estate industry has, though.

The TILA-RESPA Integrated Disclosure is industry mumbo-jumbo for the documentation that buyers need to sign during their transaction. It's a big set of paperwork with very important rules.

We're talking about it today because new rules from the federal government created guidelines that might make your sale take longer.

- Traditional residential real estate closing: 30 day
- Estimated residential real estate closing in late 2015: 40-45 days

TRID requires lenders to give buyers a lot of information upfront in the mortgage application process. It also requires them to give buyers their final disclosures about the loan at least 3 days before they sign those documents. Any changes in the loan will require a new 3 day waiting period before signing and closing.

Because these rules are new, lenders and escrow companies are telling real estate agents to make their closing process longer. This will allow everyone to adapt to the new rules and still close on the contract date.

As a seller, all you need to know is that we have to keep buyers and their lenders on the ball. We need to make sure buyers deliver all of their documentation to their lender upfront, and that the lender gets them TRID paperwork on time before closing. That allows you, as the seller, to close on time, even if that means 40 days.

Of course, if you're a seller, you're probably going to be a buyer soon as well. This exercise will prepare you to be the same proactive, responsive buyer when your time comes.

# Buyers Are Online – Is Your Real Estate Agent?

Nine out of 10 home buyers today are searching online. In the Puget Sound area, it's probably 10 out of 10. We all know that online marketing is the key to maximum exposure in today's real estate market.

Many real estate agents, unfortunately, don't seem to have figured this out. You won't find their listings anywhere online, except buried on the 9<sup>th</sup> page of listings on a big portal site, because they don't know how to get prime online exposure.

**Every agent is going to get your home's listing on the big sites like Realtor.com, Zillow, etc. The differentiating factor for an agent who is tech-savvy and has online marketing skills is to put your home in front of other audiences.**

You want your home to stand out on the front page of popular local websites. Your listing should be a feature. It should be search engine optimized so it shows up on the first page of Google searches. Your listing agent should be fielding those calls from internet buyers and pushing them to come and take a look.

We're obviously biased at Seattle Homes Group toward the prominence of our clients' listings on our websites: SeattleHome.com, SeattleCondo.com, SeattleHomes.com, and BellevueHomes.com. We are the first agent websites to show up in Google's search results for terms like "Seattle condos for sale" or "Bellevue condos."

That generates thousands of daily local buyer visits, and so many more eyeballs on our clients' featured listings, right on the front page of our websites. Whoever you choose to list your home, make sure they understand online marketing and can get your home extra exposure.

Just being online today isn't enough. Your home needs to stand out above the crowd.

# Thanks for reading our Seattle-area selling guide. For more: [SeattleCondo.com](http://SeattleCondo.com)

When you're ready to sell, let's talk. Selling your condo is a big endeavor and you want professional, full-time, courteous representation to guide you through it.

In the meantime, ask us any questions you may have, even if you're not ready to sell yet.

We're happy to speak with you any time.

## Announcing our Top Team for 2014

Seattle Homes Group was honored at the Coldwell Banker Danforth Awards Banquet as the top team for all of CB Danforth in 2014. Seattle Homes Group's team is based out of Coldwell Banker Danforth's Northgate office, which is the #1 full-service office in Seattle in gross sales among all brands. This gives Seattle Homes Group quite a distinction, the #1 team from the #1 office...A huge congratulations to the entire Seattle Homes Group!

## Seattlehome.com

Pictured from left to right:  
**Joan Furlong, Loretta Gilbane,  
Brian Wiegand, Z Zorilla,  
Lisa Jones, Joan Robinson,  
Sam DeBord, Marian Nguyen**

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**Seattle Homes Group: SeattleCondo.com – 206-552-8820**