

For Sale by Owner 10 Inside Tips for Selling Your Home Yourself

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If you ask anyone who has ever tried to sell their home themselves they'll tell you that from the moment the "For Sale by Owner" sign goes up, the phone begins to ring. Unfortunately, many of those calls will not be from prospective buyers, but rather from real estate agents looking to obtain your listing. Obviously the idea of not having to pay a commission to a real estate agent is attractive to any home seller. But because of all the issues involved in the process, selling a home on one's own can be challenging as many home sellers will attest to.

The key is to be properly prepared. If you are not, your home could remain on the market longer than you expect because you are not attracting and getting offers from qualified buyers. This can be a point where many homeowners become frustrated and consider giving up their dream of selling their home themselves. However, there are sellers who accomplish selling their own homes, very well. You can be one of them.

This industry report has been especially prepared to assist home sellers, such as yourself, understand the elements involved so you, on your own, can sell your home quickly and for the most amount of profit. To help you prepare, here are 10 inside tips that you should be aware of before you make the decision as to whether or not this is the right approach for you.

1. Price it Right

Correctly setting your asking price is critical. Setting your price too high can be as costly as setting it too low. Home prices are determined by fluctuations in the marketplace not by your emotional attachment or by what you feel your home is worth. In order to establish a realistic price for your home, objectively compare the price, features and condition of all similar homes in both your neighborhood and other similar ones which have sold in recent months. It is also important for you to be familiar with the terms of each potential sale. Terms are often as important as price in today's market. Carefully budget your selling costs and prepare a net proceeds sheet to calculate your best estimate of what you will take away from your home sale. Prospective buyers may also request this kind of analysis of buying costs.

2. Prepare Your Home for Sale

First impression is crucial. Make sure your home makes a positive statement by carefully inspecting all details and viewing it through the objective eyes of a buyer.

Don't gloss over needed repairs and fix-ups, as your prospective buyers won't. Your job is to ensure that your home stands out favorably from the competition.

3. Prepare Yourself With All Necessary Legal Documentation

Not surprisingly, there are many important legal contracts and documents which you must assemble, complete and understand. A partial checklist of forms that you will require for prospective buyers and for legal documentation is as follows:

- Mortgage Payoff
- Loan Application
- Deposit Receipt
- Property Profile Fact Sheet
- Buyer's Cost Sheet
- Closing & Settlement
- Personal Property
- Exclusion List
- Property Survey
- Sellers Statement /Plot Plan of Representation

4. Market Your Home Effectively

Beyond the sign you will put on your lawn, you should find effective ways to spread the word about your home. Local buyers can be reached through the newspaper, but this is only a small part of the market you are after. Be sure you include the many buyers who could already be working with a Realtor®. To locate them, target as many top agents as possible in your market to see if the criteria of their buyers matches that of your home's. Because out-of-town buyers are also an important target, you should create a strategy to reach these people as well. Above all, you should be very service minded and make it easy for pre-qualified buyers to view your home. Ensure that there is always someone available to answer the phone, pick up messages promptly, and be ready to give qualified prospects a tour of your home as soon as possible.

5. Remain Objective During a Showing of Your Home

Keep emotion out of the sale of your home, and the best way to do this during a showing is to remain physically in the background. If a prospective buyer says something negative about your home, it is better to counter-balance this point of view by illustrating the positives rather than becoming defensive.

6. Pre-Qualify Your Prospects

Don't waste your time entertaining buyers who could never afford your home. Research their financial steadiness with respect to job security, salary, debts, liabilities and credit standing.

7. Negotiate Effectively & Knowledgeably

There will be many details to resolve before a sale can be considered final: price, terms, inspections, possession date, buyer concerns and objections. Make sure you fully understand the contract you have drawn up so you can in turn explain details and ramifications to the buyer and make any amendments to the sale that are necessary. The contract you use should be thoroughly examined by your real estate attorney. Some real estate brokers may be willing to help you do this. While this is going on, manage the buyer's interest in your home so that it doesn't wane during negotiations.

8 . Know Your Buyer

Your objective during negotiations is to control the pace and set the duration. Try to determine what your buyer's motivation is. Does he or she need to move quickly? Do they have enough money to pay your asking price? Knowing this information will give you the advantage in the negotiation because you will know up front, what you will need to do in order to get what you want.

9. Don't Move Out Before You Sell

Studies have shown that it is more difficult to sell a home that is vacant. It looks forlorn, forgotten, simply not appealing. It could even cost you money. If you move, you're also telling buyers that you have a new home and are motivated to sell fast which can, of course, give them an advantage at the negotiating table.

10. Know Why You're Selling and Keep it to Yourself

The flip side of "understanding your buyer" is to "understand yourself". Your reasons for selling will affect everything from your list price to how much time and money you will invest in getting your home ready for sale. Your motivation will help you determine what is more important to you: the money you walk away with, the length of time your property is on the market, or both. Different goals will dictate different strategies. As someone who wants to sell without a real estate agent in an effort to save the commission, it is likely that money is one of your primary considerations, (see, "How to Assess Your Net Gain" below). Whatever your reasons, however, it is very important to keep them to yourself so as not to place yourself at a disadvantage at the negotiation table. When asked, simply say your housing needs have changed.

How to Assess Your Net Gain

To analyze whether or not you will end up ahead by choosing to sell on your own, consider the fact that most buyers do use a real estate agent because it doesn't cost them anything for this service (i.e. the seller pays the agent's fee). Be cautious as buyers, investors and speculators who seek out For Sale by Owners are typically those in search of a bargain. The low-ball offers from these types of buyers will often net you much lower in the long run. What you will have to judge for yourself is the following:

1. Be as prepared as possible with your marketing, negotiations, evaluations, showings and all legalities.
2. Consider what it will cost you to effectively market your home and assemble all necessary materials from the "for sale" sign to any contracts.
3. What price will a buyer offer you as a For Sale by Owner minus the costs identified in point 2 above. **Is this net price higher than the price an experienced agent could net for you minus his/her commission?**

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