



1 | *Essential Elements* to Selling a *Home By Owner*

1. **Price the home competitively.** This is one of the most important aspects in the home selling process. If your home is not priced competitively in today's fast paced market, it will take a long time to sell or it might not sell at all.
2. **Make sure that your home is ready to show to prospective buyers.** There are many things that you will need to do to your house to insure that you won't turn a prospective buyer "off" from being interested in your house. A good approach to getting an objective look at your home is to walk out your front door and come back in the house. Look your home over as if you were going to buy the house. There are many things that we just live with or don't think are a very big deal because it is our home, but those things could turn away a prospective buyer. Your home must stand out favorably from the competition to sell the quickest!
3. **Obtain the necessary legal documentation.** There are many important legal disclosures and contracts that you will need in order to insure that you won't be held legally liable for something that happens to the house while you are under contract and even years after you close on the house! Below is a partial checklist of forms that you will need for prospective buyers and legal documentation.
 - Sellers property condition disclosures
 - Lead-based paint disclosures
 - Buyers pre-qualification letter
 - Mortgage payoff
 - Property profile fact sheet (Trio)
 - Mortgage disclosures
 - Closing and Settlement statements
 - Escrow balance (taxes and insurance.)
 - Current tax payoff
4. **Pre-qualify your buyer prospects.** One thing that will be very important to you in selling your home is managing your time properly. One way to insure that you do this is to pre-qualify your prospective buyers. Thoroughly research their financial qualifications with respect to job security, salary, debts, liabilities and credit standing. If these things are not checked properly, you could very easily be wasting your time showing your house to someone that cannot even buy it.

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Important!!! Do your due diligence on a buyer that is coming to look at your house before they come over, ex. Call someone they know, spend some time on the phone interviewing them, etc. The last thing you want to do is jeopardize your and/or your family's safety by letting someone in your house that has bad intentions.

5. **Market your home effectively.** Beyond the sign that you are going to put in your yard, you should find effective ways to create a large demand on your house to ensure that you get the most amount of money for your home. Putting an ad in the newspaper is a start, but you will have to do something to prevent it from blending in with all the other black and white type in the paper. In addition to distinguishing your property in the paper from all the others, you will need to look into other marketing efforts because the newspaper will only reach a small percentage of the market that you are after.

You should also include the other 90% of buyers that are already working with a Realtor via the Internet and the MLS. Since relocation buyers make up approximately 20% of the buyer prospects in the area, you should also have a web site set up that is easily accessible for out-of-town buyers to find.

6. **Show your home effectively.** You will want to make sure that you will be able to show your home to every potential buyer that is interested in it. The way to do this is to be sure 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 at any given minute. What we've found is that if the prospect cannot look at your house, chances are they will go on to another house and potentially buy the next one that they see.
7. **Remain objective during a showing of your home.** Keep emotion out of the sale of your home. The best way to do this during a showing is to physically remain 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.
8. **Negotiate effectively and knowledgeably.** There will be many details to resolve before a sale can be considered final: price, financing, terms, inspections, legal considerations, possession date, buyer concerns and objections. Make sure you fully understand the contract you have drawn up so you can explain the details of the transaction 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. While this is happening, manage the buyer's interest in your home so that it doesn't wane during negotiations.



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9. **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. Do they need to move quickly? Do they have enough money to pay your asking price and their closing costs?

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.

10. **Know why you are selling and keep it to yourself.** The flip side of "understanding your buyer" is "Understanding 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 motivations will help you determine what is more important to you: the money you walk away with or the length of time your property is on the market. Different goals will dictate different strategies.

As someone who wants to sell without a Realtor in an effort to save the fee, it is likely that money is one of your primary considerations. Be sure not to tip your hand to your prospective buyer because studies have shown that the average For Sale By Owner gives up approximately 16% of their equity when they sell their homes themselves. Whatever your reason, it is very important to keep them to yourself so you don't place yourself at a disadvantage at the negotiation table.

11. **Don't move out before you sell.** Studies have shown that it is more difficult to sell a home that is vacant. A vacant house is simply not as appealing because a prospective buyer cannot envision how they might decorate it or see how they would arrange their furniture in your home. Also, the house may look forlorn, forgotten or just simply not appealing to the buyer. If you move, you're also telling prospective buyers that you have a new home and are motivated to sell fast because of multiple house payments. This, too, can give them an advantage at the negotiating table.

Excellence is in the details and as you pay attention to the little things that are involved in the transaction, the big things will be easier to deal with along the way. Please feel free to contact me if you have any questions.

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