



For assistance, call Metropolitan Escrow, Inc.
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Seller's Guide

When competing with numerous homes on the market, making a mistake can lead to a delayed sale and possibly less money. These guidelines will provide insight on what not to do when selling your home.

Mistakes to Avoid When Selling a Home

Selecting a Real Estate Professional

- **Choosing an agent**
- **Questions to ask**
- **What to expect from a real estate professional**

Polishing the Merchandise

- **Interior**
- **Exterior**

Setting the Price

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Preparing for Closing

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Mistakes to Avoid When Selling a Home

Pricing incorrectly

Don't let emotional ties influence pricing rather than market conditions. The first two to four is when you'll see the most action. If your home is not competitively priced, you could miss an opportunity to sell.

Failing to "showcase" the home

pet, cigarette odors and cracking paint don't make good first impressions. The fewer problems buyers see, the easier it is for them to picture themselves as the new owners.

Using the "hard sell" during showings

Don't follow lookers around pointing out improvements and great features. People want to view the house on their own.

Not knowing your rights and obligations

The contract for sale and purchase is a legally binding document. An improperly written contract can cause the sale to fall through or cost you thousands in repairs and inspections. Know which repairs and closing costs are your responsibilities.

Signing a listing contract with no way out

Although agents may have every intention of selling your home, unforeseen circumstances may prevent them from completing the sale. Therefore, you should have the right to terminate your contract with them at any time. Protect yourself by getting a guarantee of performance with the right to cancel.

Limiting the marketing and exposure of the property

The two most obvious marketing tools (open houses and classified ads) are only moderately effective. Homes aren't generally sold by using these mediums – less than 1 percent for open houses; 3 percent for ads. Use a broad spectrum marketing plan.

Choosing the wrong agent

Choose a real estate professional who is familiar with your neighborhood and has excellent marketing skills. You should be contacted often with updates about your property. A good agent will tell you what you **should** hear, not what you **want** to hear.

Not asking for a marketing plan from your agent

There are many ways to market your house, and your agent will know the most effective methods. Ask for a specific plan of attack before signing with any agent.

Selecting a Real Estate Professional

Selecting an agent is one of the most pivotal decisions when selling your home. It is important to seek advice about this important financial transaction from someone who "sells" houses for a living.

Working with professional real estate agents is beneficial for several reasons:

- They will help establish a fair asking price for your house.
- They will promote your house to other agents and list your property in multiple listing services so your house will receive maximum exposure.
- They will create, pay for and place advertising for you.
- They will schedule appointments to show your house to prospective buyers even when you are not there.
- They can weed out buyers who will not qualify for a mortgage.
- They can refer you to sources for insurance, inspections, legal counsel and financing.
- They will help negotiate with the buyer.

Choosing an Agent

Since you will be working closely with an agent, choose one who makes you feel comfortable, who is responsive to your needs and compliments your personality. Here are some guidelines:

- Get referrals from trustworthy family and friends.
- Seek an experienced agent with a known reputation – look at credentials, track records and awards received.
- Select someone who is a member of the Board of Realtors™.
- Interview at least three agents.
- Find someone who is continuing his/her education – a Certified Residential Specialist (CRS), Certified Residential Broker (CRB) or a Graduate of the Realtors Institute (GRI) – this shows the Realtor has a long-term interest in the business and is willing to invest in his/her career.

Questions to Ask

These questions will help you learn what you need to know about agents:

- What were they like to deal with?
- How hard did they work for you?
- Did they get you a good price?
- Were there any complications?
- Did they always tell the truth?
- Were they always looking out for you or just interested in getting paid?
- Would you use their services again?

After interviewing a few agents, ask yourself the following questions to narrow your choice:

- Which one returned your phone calls?
- Which one was most enthusiastic about selling your house?
- Which one provided a competitive market analysis – an in-depth discussion on how the selling price was determined?
- Which one provided a detailed marketing plan?
- Which one provided a time frame on how long it may take to sell your house?
- Which one explained things most clearly?
- Which one made you feel most comfortable?

What to Expect from a Real Estate Professional

Expect:

- To be treated as a respectable client, not as a transaction.
- To have your best interests represented.
- To be served selflessly ò your agent shouldn't be eyeing your wallet.
- Your agent to work as hard for you as he/she would for himself/herself.
- The highest skills available.
- To have calls returned promptly and to be kept up to date.
- Your agent to go above and beyond what's expected when dealing with problems that may arise.
- Your agent to be a trusted advisor that you can consult even when the transaction is complete.

Rely on instinct to determine which agent is right. The right person will have suitable credentials, a marketing plan you agree with and will make you feel comfortable.

Polishing the Merchandise

Start with a curb-to-door cleanup. Prune shrubs and tree branches, edge the lawn and keep it mowed and, if the season permits, add a show of color with annual bedding plants. Paint the front door and put out a new welcome mat.

Inside, make your home look as spacious as possible. Eliminate clutter, and organize closets, attic and basement storage.

Depersonalize your space. Reduce distractions and help would-be buyers visualize making themselves at home. Tuck away family pictures. A home stamped indelibly with your personality and style can be harder to sell.

Remove obvious clues to your political, religious and social sentiments. Store away banners, bumper stickers and biased literature, including magazines.

Use the Interior and Exterior checklists to identify areas of your home that need work before placing it on the market.

Interior

Attic

- Check underside of roof for leaks, stains or dampness
- Look around chimney for condensation or signs of water
- Clean and clear ventilation openings if necessary
- Clean out stored junk

Walls and Ceilings

- Check condition of paint and wallpaper
- Repair cracks, holes or damage to plaster or wallboard

Windows and Doors

- Check for smooth operation
- Replace broken or cracked panes
- Repair glazing
- Check condition of weather stripping and caulking
- Examine paint
- Test doorbell or chimes
- Test security system
- Wash windows and woodwork, if necessary

Floors

- Inspect for creaking boards, loose or missing tiles, worn areas
- Check baseboards and moldings
- Test the staircases for loose handrails, posts or treads

Bathrooms

- Check tile joints, grouting and caulking
- Remove mildew
- Repair leaking faucets and shower heads
- Check the condition of painted or papered walls
- Test operation of toilet

Kitchen

- Wash all appliances
- Clean ventilator or exhaust fan
- Remove accumulation of grease or dust from tiles, walls and floors

Basement

- Remove clutter
- Check for signs of dampness, cracked walls or damaged floors
- Inspect structural beams
- Check pipes for leaks

Electrical System

- Check exposed wiring and outlets for signs of wear or damage
- Repair broken switches and outlets
- Label each circuit or fuse

Plumbing System

- Check water pressure when taps in bathroom(s) and kitchen are turned on
- Look for leaks at faucets and sink traps

- Clear slow-running or clogged drains
- Bleed air off radiators if needed, and check for leaking valves

Heating and Cooling Systems

- Change or clean furnace and air-conditioning filters
- Have equipment serviced, if needed
- Clear and clean area around heating and cooling equipment

Exterior

Roof and Gutters

- Repair or replace loose, damaged or blistered shingles
- Clean gutters and downspout strainers
- Check gutters for leaks and proper alignment
- Inspect flashings around roof stacks, vents, skylights and chimneys
- Clear obstructions from vents, louvers and chimneys
- Check fascias and soffits for decay and peeling paint
- Inspect chimney for any loose or missing mortar

Exterior Walls

- Repair loose siding and check for warping or decay
- Paint siding, if necessary
- Check masonry walls for cracks or any other damage
- Replace loose or missing caulking

Driveway

- Repair concrete or blacktop, if necessary

Garage

- Lubricate hinges and other hardware on your garage door
- Inspect doors and windows for any peeling paint
- Check condition of glazing around all windows
- Test electrical outlets

Foundation

- Check walls, steps, retaining walls, walkways and patios for cracks, heaving or crumbling

Yard

- Mow lawn, reseed or sod, if necessary
- Trim hedges, prune trees and shrubs
- Weed and mulch flower beds

Setting the Price

To set the right price on a home, combine an objective evaluation of your property with a realistic assessment of market conditions.

You are more likely to benefit by determining a fair value and sticking close to it than by asking an unrealistic figure.

Underpricing can deprive you of money that's rightfully yours. Unless rushed, aim for full market value.

Study the Comparables

Be cautious of either overpricing or underpricing if you rely on less-than-solid information. Know your competition. Learn the offering and selling prices of similar properties. Find out how long each took to sell.

Compare your home to others close in age, style, size, condition and location. Timing is all-important. If market demand is high, you should be able to increase the price. Sales prices of homes are published in local or regional sections of newspapers.

Get an Appraisal

Appraisal opinions are subject to honest dispute. Generally, an appraisal prepared by an experienced, licensed professional comes as close to an objective evaluation as you can get.

Considering the Contract

A valid real estate contract must be in writing and be freely offered by the buyer and accepted by the seller. All parties to the contract must be legally competent to do business. Money or other valuable consideration needs to be exchanged for title to the property.

Keep in mind that if things go wrong, the buyer could require you to sell your home to him/her or pay damages. Be familiar with the terms of any contract you give to a would-be purchaser.

Consider the contract as a whole. Is it slanted in favor of the buyer? If so, consult an attorney about making changes. Analyze the document as a series of paragraphs or clauses, each written to benefit one party or the other.

Key Elements of the Contract

Price and terms

If a low offer comes your way, remain cool until you've examined the terms. Nothing evokes a more emotional response than a low bid. Be realistic and objective because many properties don't bring full price. Don't use price alone as a reason not to counter or negotiate. A first offer may reveal what's most important — price or terms — to this particular buyer, giving you the key to begin bargaining.

Condition of home and inspection

The purchaser should have your home inspected for soundness of construction and state of

repair. Include all mandatory and voluntary disclosure statements concerning the property's condition, such as known defects in the contract.

Be careful what you guarantee. You cannot be sure the roof won't leak, the heating system won't go out or any other number of such assurances. Once the property is sold, you are no longer responsible for it.

Response deadline

You'll be asked to respond to an offer within a specified timeframe. Try to get as long a response time as possible. Other offers may come up and you'll want to buy time to review them and perhaps use one offer to increase another.

Settlement date and occupancy

If you have another home under contract, seek a settlement date that will enable you to take your sales profits to the next closing. Be realistic; the buyer of your home will probably need at least 30 to 50 days to arrange financing and close.

Finalizing

Everything in the offering contract is negotiable. When everyone has agreed to the terms, initialed the changes and signed the contracts, you've got an agreement binding on all parties. All that remains is removing contingency clauses, arranging financing and clearing title.

Preparing for Closing

As the seller, you have relatively little to do at this point. Avoid common glitches by keeping abreast of progress on both sides.

Be aware if the buyer is having trouble getting a loan on the terms specified in the contract. If he/she is turned down, it could jeopardize the whole deal, and your house could be put back on the market. A day or so before closing, make sure all the necessary papers and documents have been gathered and are in the hands of the right parties.

Things can go wrong. Documents can be misplaced, delayed or lost. However, common last-minute glitches can be avoided.

- Parties who should be present at closing need to be informed of any change in the date, time or place. They should be reminded a week before closing and again the day before.
- Everyone named on the deed under which you hold title must sign the new deed by which you grant title.
- Know when and how you will be paid. Don't expect to walk away from the settlement table with a check in hand.
- If you are buying another property, consider having both closings at the same office scheduled back-to-back. That way, the timing of the disbursement is not a problem. You sign a paper authorizing the title company or attorney to assign the funds from sale to purchase.

The papers you'll need

- A copy of the sales contract and documentation showing that any contingencies have been removed or satisfied.

- All documents needed to complete the transfer of title. This may include certificate of title, deed, correcting affidavits, quitclaim deeds, survey and title insurance policy or binder.
- Homeowners insurance policy. If the buyer plans to take over the unused portion of your hazard insurance, you'll need to make arrangements in advance for all paperwork to be completed on time.
- Prorations for ongoing expenses such as insurance premiums, property taxes, accrued interest on assumed loans and utilities (if not shut off between owners).
- Receipts showing payment of the latest water, electric and gas bills.
- A certificate from your lender indicating the mortgage balance and the date to which interest has been prepaid.

Moving Tips

Metropolitan Escrow, Inc. wants to make your move a little easier. We hope these tips will help!

Four weeks to go:

- Call moving companies for a free estimate. Cost will vary depending on distance, weight and optional services.
- Look through your house to determine items to be discarded or donated to charity. Have a garage sale!
- Inform schools of transfer. Make arrangements for enrollment/registration in new schools if necessary.
- Most homeowner's policies do not provide adequate coverage for moving. Check with your agent and consider purchasing additional coverage from a moving company.
- Begin collecting boxes with covers if you plan to pack your belongings. You can purchase packing materials through moving companies or contact local grocery stores for extra boxes. Be sure to stock up on packing tape!
- Beginning consuming perishable and frozen food items to minimize waste.

Three weeks to go:

- Begin packing!
- Notify the post office of your new address and send change of address cards to friends, family, subscriptions and any billing companies.
- Make necessary travel arrangements including interim housing and car rental. Be sure to record confirmation numbers.
- Collect medical records and prescriptions from physicians. Ask for recommendations for doctors in your new area.
- Place legal, medical and insurance records in a safe and accessible place.

Two weeks to go:

- Arrange to disconnect utilities/services in your current residence and coordinate installation of utilities/services in your new home.
- Close/transfer bank accounts and open accounts in your new city.
- Take pets to the vet for immunizations. Ask for advice on moving animals.
- Draw a map of your new home and where the furniture will be arranged.
- Return library books and any borrowed items.
- Be sure to cancel newspaper subscriptions and/or any special services you have (i.e., landscaping/lawn service, snow plow, etc.).

One week to go:

- Prepare car for the trip. Check the oil, tires, brakes, etc.
- Drain water from hoses.
- Drain gasoline and oil from any lawn or power equipment.
- Remember to pick up items sent to the cleaners or for repairs.

Days before:

- Defrost and clean out refrigerator
- Pack your luggage and separate any items you will need in the first days in your new home (i.e., a current telephone directory - you may need to refer to it for calls to residents or businesses in your former hometown). Label these boxes "Load Last."
- Reconfirm travel arrangements.
- Reserve ample parking space for the movers and provide clear paths inside the house.

The Big Day!

- Be on hand to answer any questions.
- Go over your inventory with the driver.
- Be sure to point out all FRAGILE items to the movers.
- Check, double check and triple check to see if anything is left behind!
- Do not leave the house until the movers are gone.

A Few More Moving Thoughts:

Moving your computer - Make copies of all your files and software. If possible, pack your computer, monitor, and printer in their original boxes. If not, ask a moving company for boxes made especially for computers.

Packing supplies - Have 1.5" packing tape, thick markers, packing pellets, scissors, labels, tissue paper, newspaper and blankets on hand.

Inventory - Review inventory list.

Pack photographs between sheets and blankets in boxes for added protection.

At your destination consider hooking up the TV and VCR to occupy children until the truck is unloaded.

Enjoy your new home!

