

**1 Gauge your need to sell.**

- Define your goals for the next 5-10 years.
  - Weigh the pros and cons of selling.
  - Figure out if you can afford to sell, move and buy a new home.
  - Calculate your home equity.
  - Research the local housing market.
  - Consider remodeling the home to fit your needs.
  - Weigh the pros and cons of renting out your home.
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**2 Calculate your selling expenses.**

- List the repairs and projects you'll have to do to get your home in selling condition and estimate the costs of supplies and contractors.
  - See what projects you can afford and adjust how much you expect to get for your home.
  - To get top dollar, consider remodeling projects and green upgrades that increase your home value.
  - Expect to pay about 7 percent to 10 percent of the home's sale price in closing costs, including:
    - Real estate agent commissions -- about 4 percent to 7 percent of the sale price, but are negotiable
    - Transfer taxes -- based on the property's sale price
    - Prorated property taxes -- based on closing date
  - Factor in these other costs:
    - Professional home inspection -- will reveal problems with your home before a buyer finds them
    - Capital gains tax
    - Mortgage payoff penalties
    - Staging and marketing expenses -- supplies to prep the house, such as new paint, furniture, light fixtures, window treatments, rugs and other accents
    - Moving expenses -- ranges from a few hundred dollars for a local move to thousands of dollars for a cross-country relocation
    - Cost of living in new city or neighborhood
    - Costs related to getting a mortgage for new home
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**3 Plan your selling strategy.**

- Determine how fast you need to sell and how much money you want to get from the sale.
- Interview at least three reputable real estate brokers and list your home on the multiple listing service (MLS).
- Weigh the pros and cons of selling the home yourself.
- Consider a physical or online auction for a quick sale in a slow market.
- Look into home-swapping opportunities online.
- Plan your sale during the spring or fall peak homebuying seasons.
- If you go FSB0, hire a real estate attorney.
- If you hire a listing agent, negotiate terms of your listing contract, such as commissions and termination date.
- Determine your home's strengths and unique features and promote them in all advertising.

**4 Determine your home's fair market value (FMV) and set a price.**

- Prepare these documents:
  - Prior year's tax bill, utility bills, water and sewer bills
  - Declarations, covenants or deed restrictions on the property
  - Assessments, surveys and plats
  - Additions and repairs to building and overall structure
  - Inspections for environmental hazards and pests
  - Lists of items to be included in or excluded from the sale
  - Required disclosure forms
- Research public records and collect information on comps -- comparable homes in your area with similar square footage, construction, age and condition that sold within the past six months and are currently on the market.
- Ask your agent to prepare a Comparative Market Analysis (CMA) report.
- Find out about new construction and foreclosures in your area.
- Figure out the average cost per square foot for your area, and make sure your home is in line with it. Here's how:
  - Add up the square footage of 3-5 homes and divide by the number of homes to get the average square footage.
  - Add up the sold price of each home and divide by the number of homes to get the average price.
  - Divide the average price by the average square footage to get the average price per square foot.
  - Multiply that by the square footage of your home to get the price.
- Evaluate market trends, including:
  - whether it's a buyer's or seller's market
  - level of competition among buyers in the area
  - status of interest rates and the overall lending climate
  - average number of days homes are sitting on the market
  - whether homes are selling for above or below the asking price (the list-price-to-sale-price ratio)
- Use your FMV to determine your asking price. Consider these pricing strategies:
  - Price your home above the "Sold" prices and lower than the prices on active listings
  - Price Low, Sell High -- A bidding war could fetch you a higher price.
  - Value Range Marketing -- Attract more buyers by offering a price range.

### **5 Advertise and market the home.**

- MLS
  - "For Sale" signs
  - Classified sections of local newspapers
  - Real estate publications
  - Put ads on free Web sites like craigslist.com.
  - Create your own Web site to promote your home.
  - Email notices or flyers about your home to real estate agents, friends, family, coworkers, everyone.
  - Use photos to showcase your home. Hire a professional real estate photographer or learn how to take great pictures yourself.
  - Use a handheld video camera to give online buyers a virtual tour of your home, by walking through each room and talking about its features.
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### **6 Prepare and stage the home.**

- Have a yard sale. Sell, donate or trash everything you don't need.
  - Make necessary repairs.
  - Make improvements to increase your home's external attractiveness when viewed from the street, such as:
    - Fresh coat of paint
    - Replacing old siding
    - Clearing the clutter
    - Cleaning the entryway, sidewalks and windows
    - Professional landscaping
  - Hire a professional home stager or research staging tips.
  - Declutter, depersonalize and decorate every room and outdoor areas so buyers can imagine themselves living in the home.
  - Paint interior rooms neutral colors.
  - Replace outdated lighting fixtures and window treatments.
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### **7 Set up showings and open houses.**

- Keep the home in show-ready condition at all times.
  - Take appointments or set up a lockbox so agents can show the home when you're not available.
  - Hold an exclusive open house for local agents to introduce them to the home and get feedback. Include food and refreshments.
  - Hold an open house for potential buyers. Advertise in local publications and put up signage in the area.
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### **8 Review purchase offers.**

- For each offer, note the following:
  - proposed offer price
  - preapproval letter
  - contingencies
  - earnest money amount
  - proposed closing date
  - offer expiry date
- Have a process in place if you expect to get multiple offers.
- Keep emotions in check when receiving lowball offers.

### **9 Make counteroffers and negotiate.**

- Approach each offer as an opportunity to negotiate. Consider these counteroffer tips:
    - If the buyer's offer is contingent on selling a home, counter with a Removal of Sale Contingency.
    - If you won't budge on price, offer financial incentives that don't require cash out of your pocket:
      - \* Pay for part or all of the buyer's closing costs
      - \* Pay for some or all of the repairs found during the property inspections
      - \* Pay points to lower the buyer's interest rate
      - \* Prepay taxes or insurance for a year
      - \* Offer to include furniture, appliances, window treatments or lighting fixtures
    - If you're worried you won't be able to buy a home after you sell, include a "rent back" clause which lets you rent back your home from the buyers after escrow closes.
    - Make a full-price counteroffer, if your comps can back it up.
    - Make the sale contingent on your buying a home.
  - Don't forget to:
    - Set a closing date
    - Set a move-in date
    - Get a receipt for the buyer's earnest money deposit
    - Decide whether repairs should be done before or after close of escrow
  - If you find a serious buyer who is having trouble qualifying for a mortgage, consider financing alternatives:
    - Seller financing -- you finance some or all of a buyer's mortgage
    - Mortgage assumption -- buyer takes over your mortgage payments
    - Lease-to-own deal -- buyer is your tenant for a set period (usually one to three years) while part of the rent is applied toward a down payment
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### **10 Get through escrow.**

- Create a formal plan for handling repairs, including when they should be made and who pays for them.
- Clean and prepare the home for the appraisal and home inspections.
- Choose an escrow officer who will:
  - Order a title search
  - Request payoff information for your mortgage and other liens on the home
  - Prepare and record documents
  - Hold and disburse funds
  - Prepare closing statements
- Prepare for the final walk-through inspection.
- Sign the closing documents and move out of the home.
- Keep copies of your documents for reporting the sale on federal and state tax forms.