



SPECIAL REPORT

27 Home Selling Mistakes And How To Avoid Them

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Selling your home? Don't let avoidable mistakes cut into your profits!

Most people don't sell homes for a living. The right real estate agent is a vital piece in the selling puzzle but ultimately it's your home and your profit or your loss. Don't let these common sellers' mistakes diminish your profits!

1. Watch the market! – As they say in showbiz, “Timing is everything”!

- If the current housing market is “HOT” you stand a better chance of selling your home at the price you want. But remember, if you sell in a “HOT” market, chances are you will be buying in the same market. That means you will have to respond quickly to offers and compete aggressively to find your next house.

- If the current housing market is weak you stand to lose a large percentage of what you have paid into your home. To get a decent price you may have to spend money to make improvements to your property and offer incentives to compete with other homes on the market. Take advantage of the cyclical nature of the real estate market and stay put (if you can) until the market improves.

2. Don't overprice! – Even 5% over market value can discourage buyers. It is important that you realize that your selling price is determined by the current market and not by what **you** have to get out of the deal, or even by an appraisal. If your house is not priced competitively for the current market, people looking in your price range will reject your house in favor of other, larger homes for the same price. At the same time, the people who should be looking at your house will not view it because it is priced over their heads.

Special Note: *If circumstances dictate that you **must** ask more than your realtor and the market says is the optimum price for your home then re-evaluate your decision to sell at this time. If possible you should stay put until the market improves or your property appreciates.*

3. Don't “test” the market! – If you insist on pricing your home higher than the existing market trend with the idea that you can always lower the price you may be sabotaging your own sale. Just asking \$2,000 or \$3,000 more than market value can mean the difference between selling quickly at a good price and delaying the sale. And don't forget, keeping your house on the market for a prolonged period can incur additional expenses like carrying costs and upkeep. Ask your realtor how much bargaining room you can leave in your price.

4. Don't become a “stale listing”! – The longer your home is on the market the less likely you are to get a full price offer. If a month goes by with no serious offers, do something! Review your price, offer incentives or make some improvements or repairs. Then hold an Open House to announce the changes.

5. Don't hire Aunt Agatha to sell your home! - Hiring a relative is one of the most common, serious errors committed by home sellers. Making this mistake could mean your home will sell more slowly and for less money than it otherwise would. Selling your home is one of your most important financial transactions, having a professional realtor in your corner can make all the difference in getting your price, fast.

6. Don't get locked into a contract with your realtor! – Chances are you will be perfectly happy with the efforts of your realtor on your behalf, but circumstances can change. Protect yourself by getting a “guarantee of performance” clause with a right to cancel your contract with your realtor if you are not satisfied. You must be able to work together as a team to get the best price for your home in the shortest amount of time.

7. Don't Lie! - Tell the truth. It's natural to be optimistic about your home but it doesn't pay to deliberately misrepresent it. While most sellers wouldn't commit an outrageous misrepresentation, there is a tendency to fudge about room sizes, screen porches, decks or unfinished basements. When calculating a home's total square footage only living areas should be counted. You set people up for a disappointment when you misrepresent your home on the listing and once they're disappointed, it's difficult to recapture their interest.

8. Don't scare off buyers! - Maximize your “Curb Appeal”! You have to get buyers in the door because you can't sell to someone who isn't there! A well-kept yard free of clutter will get them out of the car and on to your doorstep. An unkempt yard will put off a prospective buyer before they even get in your door.

Improve the view of your house from the street by sprucing up shrubs, shutters, windows, front door and even the mailbox. Place potted plants on the front step, hang a wreath on the door and install brass outdoor lighting fixtures. Do whatever it takes to enhance your home's “buy me” look. And never underestimate the appeal of fresh flowers and a mowed lawn (minus the bicycles and dog poop).

9. Never show a dirty house! – This is your only chance to “Show Case” your home! Once you've got them in the door your responsibility doesn't end there. **CLEAN YOUR HOUSE!** This one's a no-brainer. Prospective buyers are looking for a home and they must be able to picture themselves in yours. If you think about it, nobody pictures themselves in a malodorous home with a dirty bathroom, greasy kitchen or messy bedrooms. Think military, think white glove, think spotless!

10. How clean is your kitchen? – This is one of the three most evaluated places in your home. Even if the appliances aren't part of the deal, some prospective buyers will judge your whole house by the cleanliness of your stove or refrigerator. Keep your kitchen counters clear and uncluttered and your fridge sweet smelling. A clean kitchen will go a long way in your favor.

11. Don't forget your garage! - The ideal garage stores cars and an orderly array of garden tools, that's it! Throw out your junk to show that there's lots of room for theirs.

12. Or your master bedroom! – This rounds out the group of three most inspected rooms in your home. Take the time to arrange the furniture to create a feeling of spaciousness. And make sure it's clean and sweet smelling, don't forget to make the master bathroom sparkle, they'll be checking.

13. Don't be a pack rat! – Clean out your closets, your spare room and yes, even your basement. You can't hide your junk any longer because these "visitors" to your home are going to open all your closet doors and look in all the nooks and crannies. Be ruthless, dump the junk! Think how nice it will be to start fresh in your new home!

14. Is your home dreary? – If your home seems more like a dungeon cell than a bright, modern home you might consider recruiting the two stars of home improvement, paint and carpet. Probably the best dollar-for-dollar investment for selling your home fast is fresh paint. Neutral colors are best. Next to fresh paint, new carpeting – replaced for either condition or color – can make a huge difference.

15. Have you made necessary repairs? – It's a fact; repairs can increase the value of your home. Selling "as is" can cost you more than the repairs; even minor improvements will yield as much as three to five times the repair cost at the time of sale. Your real estate agent will be able to point out which repairs could significantly increase the value of your home. Even seemingly small fix up jobs can have quite an impact on salability and price.

16. Don't "over-improve" your home! - Keep in mind that if you do extensive remodeling you run the risk of "over-improving" your home (yes, there is such a thing). You might not be able to recoup your investment when you sell. If your improvements will push your home's value to more than 20% over the average neighboring home values then don't expect to recoup the entire cost. (However, some major projects, like replacing a roof or deck, should be done if they are needed.)

17. Don't crowd them out! – Keep company to a minimum when your house is being shown. Don't have crowds of visitors when someone is looking at your home; prospective buyers will feel like intruders if they enter a room filled with people.

18. Don't assume everybody likes pets! - Keep your pets out of the way (no matter how cute they are). Not everybody likes pets; some people are even allergic to them (horrors). Pets also raise suspicion of hidden spots on the carpet and unexplained odors.

19. Don't interfere when your home is being shown! – Let your realtor do their job. Buying a home is an emotional decision; people like to "try on" a house and see if it's comfortable for them. This is difficult to do if you follow them around pointing out every improvement that you made. It may even make them feel that they are intruding on your private space and that's something you don't want, they should feel "at home"!

- Keep a low profile when your home is being shown, the realtor can do a better job of selling your home if you stay in the background. Turn down the volume on your stereo or TV and keep the kids from hanging off the coat tails of prospective buyers.

- Plan to be away, but reachable, during Open House.

20. Deep six the non-stop commentary! – Let the prospective buyer discover things for themselves. If you're worried that they may miss one of the amenities of your home, a tasteful sign works better than following them around with a running commentary.

21. Don't waste your time with "Unqualified Buyers"! – You don't need to worry about this if you have listed your home with a reputable realtor. Realtors will only bring qualified buyers, those who are ready, willing, and able to buy your house. An agent will determine how much a buyer can really spend for a house, how much he has available for a down payment, how good his credit is, how much he can pay each month, how much he will realize (realistically!) when he sells his present home - and about a dozen other similar questions. If you only show your home to qualified buyers the number will be fewer (but the quality much higher) than if you open your front door to everyone who walks down the street with a dream of owning a home...**some day**.

22. Are you flexible? - Cash is not always the most advantageous transaction. Income level, tax benefits and current legislation are all critical factors when considering purchase terms. Check with your tax advisor to see if a straight sale is the best option for you. You should also decide whether you are willing, and able, to carry financing or offer a "Lease with option to buy" arrangement. This would increase the pool of potential buyers you have to choose from.

23. Don't underestimate the complexity of real estate law! - The contract for the sale and purchase of a home is a legally binding document. Real estate law is extensive and complex and if you don't have a legal background or real estate experience you should leave this to the experts. Did you know:

- You can lose a sale or pay thousands in repairs or remedies for title defects because of an improperly written contract.
- You need to know which repairs and closing costs are your responsibility.
- You also need to know whether the property can legally be sold "as is" and how deed restrictions and local zoning will affect the transaction.
- You or your realtor must remedy any defects in your title and determine if your property is in conflict with local restrictions or you might have to pay through the nose.

24. Are you helping or hindering? – You can make it easier for your realtor to sell your house. For instance, most potential buyers call during business hours. Arrange to be available to take calls from your realtor during the day, it could make the difference between selling your home and not.

25. There's nobody home! - Make your home accessible! The more accessible your home is the more it will be shown and that gives you better odds of finding a buyer willing to pay top dollar. A lock box is favored because it offers realtors unlimited access (within reason) to show your home. "Appointment only" arrangements are more restrictive. In today's competitive market buyers who can't see a home at their convenience will go on to view, and purchase, other homes. You never know if the one that couldn't get a viewing was the one that got away.

26. Don't just sit there, do something! - There are lots of ways to sell your home besides a "For Sale" sign and an ad in the paper. Request 'round the clock and online advertising and take time to discuss your options with your realtor, then be prepared to participate in marketing your home. Let your realtor know if other realtors have shown your home (they should leave their card). This allows your realtor to follow up "hot" leads.

27. Be positive! - Approach negotiations in a positive frame of mind, not as an adversary of the buyer. After all, you both want the same thing – a sale. Reply immediately to an offer. When buyers make an offer they are in the mood to buy at that moment. Moods change and you don't want to lose a sale because you stall in replying. Participate when asked but leave most of the discussion of price, terms, possession and other conditions up to your agent.

In Conclusion:

Don't make costly mistakes when selling your home. There are lots of things you can do to help with the sale, most are common sense, some may be new to you but all will contribute to a fast sale at a fair price. Do your homework before you put up the For Sale sign and be a Winner.

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Sincerely,

A handwritten signature in black ink, appearing to read "Laxamana". The signature is fluid and cursive, with a large initial letter 'L'.

Bernadette P. Laxamana, MBA, AMP
President/Managing Broker
Verico M & B Mortgage Solutions, Inc.