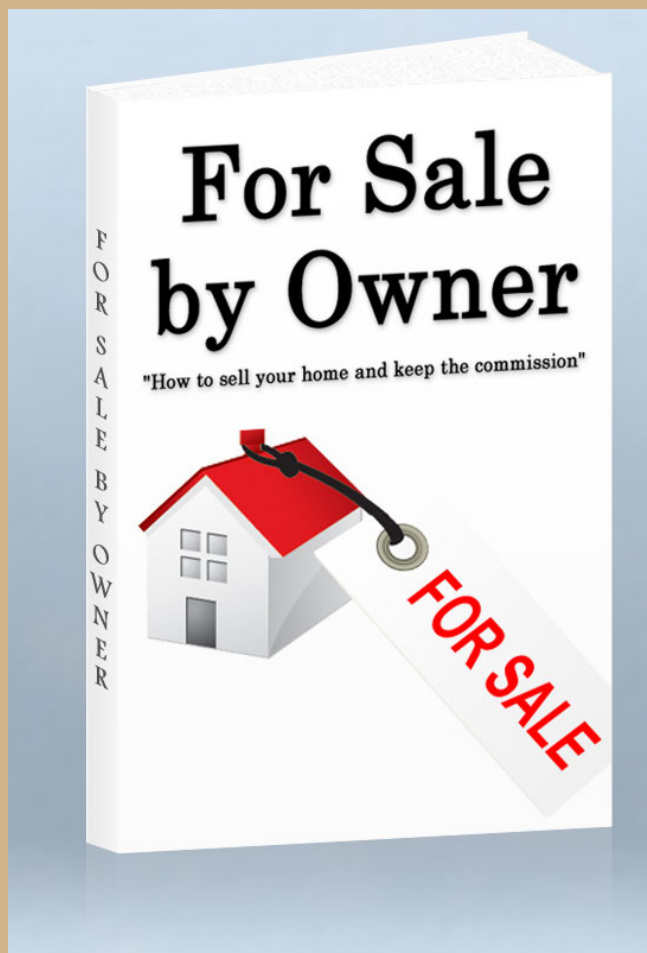


**So, you're going to sell your  
home?**

*Well, I think I can help!*



First let me introduce myself...My name is Steve Laubly. I first entered the real estate business in 1978 in San Jose, Ca. I went right to work for a large Century 21 office and chose as my specialty assisting "For Sale By Owners" in marketing and selling their homes while saving them a large chunk of the commission usually charged by the brokers.

Long before "Help-U-Sell" and some of the other discount

brokers came on the scene, I was helping people sell their homes for as little as 1% total commission.

There isn't anything in the real estate business that I haven't seen. If your home is sellable, I can help you get it sold with little or no commission.

### ***How do I get my home sold quickly for a good price?***

The first things we need to address are:

1. Are you prepared to go through with this?
2. Is your home ready to fetch the highest price?
3. How much can you expect to get for your home?
4. What can I expect to happen when I put it on the market?

#### **1. Are you prepared?**

“We will just put a sign in the yard, a little ad in the paper, and hold open house. The world will beat a path to our door and we will sell it next Saturday...Right?”

Well, while it can be fun and profitable, it usually isn't that easy.

In the market today even Realtors are having a hard time selling their homes. They spend hundreds of thousands of dollars advertising their listing to get people to call them, and then even more to get the buyers to buy from them. Today it can take 6-8 months to get your home sold.

This book will take you step-by-step through the maze of preparing your home for sale, advertising, promotion, holding open house properly, qualifying the potential buyers, how to ask them to write a check and buy your home, getting the deposit to escrow, how to do the contract, arrange the financing, and how to keep your finger on the pulse of the escrow throughout the closing.

## **2. Preparing your house to sell.**

This can be one of the trickiest parts. Over the years you have lived in the home and you probably have become used to a lot of little things you don't even notice anymore. Things like certain odors such as cat boxes, dog smells, medicinal smells, smoking or musty smells, strong food odors, etc., must be taken care of before showing the house to buyers. Open your windows, remove ashtrays and pet litter boxes, use some air freshener, and don't smoke when buyers are around. I have seen buyers fall in love with a home as we drove up, only to stop dead in their tracks when they walked into a smoke-filled living room or kitchen. In order for someone to like your home enough to buy it, they must feel good about it and comfortable while they are there.

Some of this might sound harsh and I can hear some of you out there saying, "If they don't like my smoking, or my cat, or my dirty clothes on the floor, that's tough". Well, the cold, hard facts are that if you do want to get it sold, and for top dollar, the buyer must feel good about both you and your home. If he thinks that the home has been poorly maintained or neglected, he will expect to pay a much lower price if he buys it at all!!

You should try to get someone impartial to take a walk through your home, someone who you can trust to give you an impartial and objective honest opinion about what they see,

hear, feel, and smell. This needs to be someone who is not used to being in the house and will tell you the truth...even if it hurts.

Since women are almost always the final decision makers, make sure that the kitchen and bathrooms are extra clean. A gallon or two of off-white, water-based enamel is rather inexpensive and will go a long way toward brightening up and removing otherwise unpleasant odors.

Squeaky doors and cupboards should be oiled (a quick shot of WD-40 will do wonders here), loose doorknobs should be tightened and oiled. If you have doors that stick, usually a little light sanding will get them opening and closing properly.

If possible, odd-colored rooms should be repainted in neutral colors, beige or off-white. Furniture can either enhance or detract from the home. Too much furniture will make the rooms seem smaller and crowded. Desks, shelves, and stands in the hallways that could cause some larger people to have to walk sideways to get to the bedroom should be removed. Try to avoid letting any part of the home appear too crowded or small.

The home should always be well-lighted when showing it to buyers. Open all the curtains and turn on all the lights as soon as you see them pull up in front. If you have a fan in the bathroom that goes on whenever the light is on, if it is noisy, you need to either oil it, or take off the cover and unplug it so your buyers don't hear a noisy, clanky fan when they look in the bathroom.

Hopefully you have aired out the house before they come over and the house smells good. The sense of smell is actually one of the most powerful mood senses we have. For example... One of the best realtor tricks I have found is to have the oven heated on low for open house day. Then, if you toss a few

drops of vanilla extract in the oven right before they come in, it will make them feel like grandma is in the kitchen baking cookies. Whenever they feel good, they are more comfortable with your home and more likely to buy it. In the winter you might even want to have a small fire crackling away in the fireplace. During the hot, sweltering summer you have got to have the A/C cranking away. Always think comfort, comfort, comfort...

Dirty carpets should be steam cleaned before showing the home. It will both look and smell better. Animals should be out of the house when there are buyers there, and the TV should be off...Try some nice, relaxing music instead. I know...it sounds like a hassle, but you do want to get it sold, and you do want top dollar, right? Well, just like a good realtor, you need to “Put on the Ritz” a little when showing the home.

### **OK, now let's go outside...**

Go out and stand in the middle of the street or on the opposite side of the street on the sidewalk, and look at your house as if you were just pulling up in front for the first time. It's time to rate your home's “Curb Appeal”.

Curb appeal is probably THE most important thing you need to be concerned with. It is the biggest factor determining whether a buyer will even stop and come in to see the inside of the house. I have actually had good, qualified buyers in my car showing property and pulled up in front of a home with bad curb appeal, and before I even came to a full stop the buyers said “Not this one...Keep on driving”. So, if you want the buyers to come in and look around, you have to get them out of their cars and past the front yard. No one wants to pay top dollar for a home that looks like it has been neglected or

abused. People feel that if you took care of the appearance of the home that you also took care of the stuff they can't see.

Check for loose, bent or torn screens on the windows. Remove or replace the bad ones....No screens are better than torn and bent ones.

How does the paint look? If it's still pretty good but you have a little peeling on the trim, a couple gallons of fresh paint can solve that problem and really freshen up the whole house, even if you only repaint the trim in front.

Next, look at your front door. This is the entrance to their new home and should be perfect. It needs to be in great shape, bright, cheery, and happy. Is it peeling, warped, or chipped? Grab a sander, smooth it out, and paint it a great complementary color to the rest of the house...maybe a red, or orange, maroon, blue or green, or bright yellow...something to make it stand out. By the way, a few years ago I read a report by the national association of realtors that the best selling colors to paint your home are yellow with white trim.

Does your home look worse than, the same as, or better than the rest of the neighborhood? If you expect top dollar yours had better be at least as good as, if not way better, than the rest of the neighborhood. Old newspapers, junk car parts, broken down cars, and animal poop should be removed and cleaned up before the first showing, and kept neat and clean until sold.

Sure, it sounds like a lot of work, but it could mean thousands of extra dollars you can get from a buyer who loves the home and feels that you have taken really good care of it.

**Termite or Pest Inspection, and other mandatory inspections.**

As soon as you decide to sell, you should get these done immediately: Termite or pest inspection, roof inspection and certification, well and/or septic inspection if you have these, and any other inspections that your local municipality requires.

The reason for this is to prevent potential major problems down the line. I have seen situations where the buyer and seller were getting ready to close, and the termite report comes in with a report of \$8,000 worth of damage, which must be repaired before the sale can close. You want to know about things like this before you set the price on the home.

### **Pricing your home**

This is another “most important” part of selling your home...It could be THE most important aspect which will determine not only IF your home will sell, but even IF people will even come by and take a look. You need to price it so you can get the highest price possible, but not so high that the good qualified buyers pass it up as being overpriced. So let’s go over how to price the home and get your “pricing strategy” in place. First of all, understand that every home for sale has 3 prices. First is your *asking price*...the price you would love to get for the house. The second price is the *offering price*...the price the buyer would like to give for your house. The third price is the actual *sale price*...the price that you and the buyer actually agree upon and consummate the sale.

The fact of the matter is that if you really are serious about selling the house, sooner or later you will have to go with the true market price. If ready, willing, and able buyers are not willing to pay your asking price, or close to it, or if the appraiser can’t justify the price, you won’t be able to sell until you lower the price and your expectations, or pull the home off the market until the market changes. Once a home is priced

more than about 5% above market, buyers will not take you seriously and make real offers.

There are three ways you can use to determine the market value of your home. First, and least accurate, is to go around to open houses in the neighborhood, and see what they are asking, and talk to neighbors who have purchased recently to see what they paid. The reason this is not very accurate is that sellers are usually overly optimistic about the value of their home. When you go to open houses and look at houses that are listed for sale, or gather hearsay from the neighbors, you are getting rumors, exaggerations, and high hopes.

The second method of determining value is a lot more accurate, though not 100% all the time. (This is where you get to put real estate agents to work for you for free). Call a few real estate offices and tell them that you are thinking about selling your home and that you need to find out what it is worth. Most will offer to do a CMA or “comparable market analysis” for you. There is no charge for this. The CMA will show all the homes in your area for sale or what sold recently. It will also show you the ones that have been on the market for a long time without selling. The solds are what you want to concentrate on. These are actually fact: The ones for sale haven’t sold yet and no one knows what they will sell for, if they sell.

The solds are what the appraiser will use when he does the appraisal for the sale on your home. The one thing the CMA will not give you, is that official appraisal which the bank can use for their financing.

The third and most accurate method is to hire a licensed, approved appraiser to do the appraisal. The appraiser will take into account all the factors available to determine the true market value which the bank will also want before making the loan for the new buyer. The appraisal is still only an opinion,

but it is a highly educated professional opinion that the bank will accept.

So, proper pricing is critical. If you price it too low, you will sell right away and end up settling for less than it is worth. If you price it too high, you will lose potential buyers who may be ready to buy now, but who'll keep looking and find another home rather than waiting for you to lower your price. Don't make the mistake of thinking that you can price it high and they will flock in to make offers...out of respect for your feelings they will just say "We will think about it" and leave... You will never see them again.

### **Advertising and promoting your home**

Don't make the most common mistakes I have seen people make when trying to sell their own home. It goes something like this: Put an ad in the local paper for 1 or 2 weeks. Go the local stationary store and purchase one of those orange and white plastic "For Sale By Owner" signs and stick it to a tree or the garage door. Then, if that doesn't work, they go purchase some open house signs and have open house, and hand out some flyers, so if people later decide to buy your house they can get back to you. Then goes another small ad in the paper again, and maybe hold it open twice a week instead of only once, with all good intentions, but not the right way to go about it.

If you want to get your home sold and get top dollar for it, you need to plan your advertising and promotion in a detailed, long term advertising campaign. When you consider how much advertising your average local real estate broker does, and the fact that he has lots of agents out there full time every day, and it can still take him 4-6 months to sell a home, unless you plan on giving yours away, you are going to have to spend some time on it. To properly plan your advertising, you must first decide upon

how much you are going to spend out of your pocket to get it sold.

Don't forget, you're trying to save 6% which on the average \$250,000 home is \$15,000. You should be prepared to spend around \$2,500 to \$3,000. You would be surprised at how many people spend \$2 on a cheap sign, \$85 on a newspaper ad and after 2 weeks go ahead and pay the \$15,000 to the realtors.

An effective advertising and promotional campaign will include all types of promotions running at once, hitting the market hard and fast. You need to get as many qualified buyers through your home as soon as possible. When there is activity at your open houses, this will promote an urgency to buy. This will dramatically increase your chances of selling sooner and at a better price.

Aside from the local newspaper, there are many other means of advertising and promotion, such as:

1. Brochures on bulletin boards
2. Local real estate magazines
3. Word-of-Mouth
4. Handing out brochures
5. Open house (yours)
6. Open house (others)
7. Local TV
8. Radio
9. Cafes and stores

Please don't just go down to the local grocery store and buy one

of those cheapie plastic signs for a dollar and tack it to a tree in the front yard and wait for the world to show up on your door step....It won't happen. They are hard to see and don't give you the exposure you need. Have one of your local sign makers make you up one at least 18"X24". This is the standard real estate sign size. Have it done on both sides so it can be placed for reading from both directions. If you live on a somewhat quiet street or in an area without much traffic, consider a few directional signs on some nearby corners...at least on weekends. Drive by traffic is very important because when people come to town looking for a new home, they tend to drive around in the neighborhoods which they are attracted to and search for homes there.

When preparing for your open house, you should have several open house and directional arrow signs. You must be able to draw traffic in from at least one or two busy streets or highways. It might be a lot of work but you have to keep two things in mind....First, you never know where your buyer will come from and secondly, to expect top price, you must get as many qualified people through the home as possible.

Another technique for your open house is to pass out flyers beforehand to all your neighbors in a 5 or 6 block area. Invite them to your open house for some coffee and donuts and at the same time ask them if they know anyone who might be thinking about moving into the neighborhood. This has always been a very good way to get the word out and could very possibly help you find your buyer. Also, mention your open house days and hours in all of your advertising. Your open house is going to be one of your most important marketing tools.

### **Open House Techniques**

The typical open house goes something like this:

“Hi folks, come on in” .....

“This is the living room and this is the hallway and this is the bathroom” .....

If you treat the buyers like they are so stupid that they can't identify which is the bathroom and which is the kitchen, you have got a long way to go.....and shouldn't be selling your own home.

When you are showing your home to a prospective buyer, you must do your best to pre-qualify that buyer to see if there is any chance you may have a real buyer there or not. You need to be asking questions all the time. When people are really looking to purchase a home, they are very susceptible to all types of feelings and suggestions. It is amazing how many times people end up buying a home that is nothing like the one they described to me in the beginning of the search. It might be the wallpaper in the bathroom or the blooming Cherry Tree in the backyard or just the friendly feeling they get when they first walk in, that leads them toward the decision to buy...rather than the square footage or the lot dimensions.

You have to hear what they are saying and give them the answers they are looking for. BUT you must first separate the buyers from the lookers. Rule number one is to always meet them at the door. After thanking them for stopping by, ask them to please sign in on your guest register. This is very important as you will see later. Anyone who is serious about buying your home will not object to signing in. And those who refuse to sign in...well, I wouldn't want THEM in MY home!

Don't give them a brochure or flyer at this time. Tell them that you are the owner and you would be glad to give them a tour of your home and answer any questions they may have. Don't just let them go through the home themselves. While showing them the home, here are some questions that you should ALWAYS ask to prospective buyers. This will help them and also give you a

good idea if you have possible buyers or just lookers.

1. ***“Where are you folks from?”*** This will tell you if they are from just around the corner, maybe wondering what their home is worth, or whether they are from out-of-town and in the need to buy a home.
2. ***“How soon do you have to move?”*** This is a very important one. If they say “not until next year” or “not until the Swallows return to Capistrano”, there is not much reason to spend a lot of time with them if you need to sell now.
3. ***“How long have you been looking for a home?”*** If they say two or three years, they are probably not too motivated to buy now. If they say something like “we just sold ours and we need to buy”, here you have serious buyers. If they say they have to buy right away, stick with them and sell them yours...if not, they will buy your neighbor’s home.
4. ***“Do you presently own a home?”*** and, if “yes”,
5. ***“Do you have to sell that one before you buy your next home?”*** This will tell you if they are going to have to sell their home prior to purchasing. If they haven’t sold it yet, it could put a contingency on your sale. This could take months or even years to sell, leaving you with your home off the market while you wait (see contingency sales later in this book).
6. ***“If you do find the right home this weekend, how soon would you want to move in?”***
7. ***“Have you been pre-qualified by a loan officer yet?”***

Questions like these will help you determine not only how serious

they are but also how soon they might be able to move. If you find they are “just curious” or that they already own a home in the neighborhood and maybe wondered how yours was decorated, then it’s up to you to decide whether you want them poking through your home or not. I’m not saying you should be rude or anything like that but after spending hours with non-serious people you can get pretty tired and grumpy sometimes which is not good when that perfect buyer knocks on your door.

When you do get serious buyers, don’t let them leave the home without asking them to buy. There are several questions you can learn to ask everyone that can spark action and get commitment from those who are serious. When they ask you a question, this is the best time to sneak your questions in, for example:

Question: ***“Is your loan assumable?”***

Answer: “Well, it usually depends on your qualifications and how much you can get a new loan for, did you need to find one that is assumable?”

When they say yes, “Let me give my loan rep a call and see...”(more on this later).

Question: ***“How much down are you asking?”***

Answer: “Well, the down payment depends on how you want to finance it. What would you feel comfortable putting down?”

When they give you the amount, you then say, “Let’s give my loan rep a call and see how that will work out and what kind of payments you would have.”

Question: ***“How long will it take to close?” or “How soon could we move in?”***

Answer: “How soon are you wanting to get moved?” And when they answer, “Let’s write that as the escrow period, OK?”

If you keep asking them questions that will either commit them or eliminate them as a real buyer, you will get a real good idea of how serious they are and at the same time lead them to the decision to buy your home. And just in case they are serious, make sure you have a contract handy to write it up.

## **Financing**

The subject of financing is the most important part of the sale of your home. The biggest mistake you can make is to think the buyer will go out and get his own financing and close the sale. Wrong! I have seen too many cases where the buyer puts up a small deposit, said he would take care of his own financing and two or three months later, after not hearing from the buyer at all, the seller had to put his home back on the market and start all over again. Why? Because when the buyer found out he couldn't qualify for the loan, he either didn't bother to or was too embarrassed to tell the seller. The result? The home was off the market for several weeks or months and the seller lost a lot of time and money and probably turned away potential buyers who could have qualified because he was assured by his buyer that his house was sold!

As the seller, you must have control and input on this process so this doesn't happen to you. Here's how you keep control...

Before you start marketing the home, check around with some local banks, mortgage brokers, and savings & loan companies for financing information. What type of financing will fit your home? For example, if your home fits within the guidelines of FHA or VA financing, there will be a good chance that your buyers will want to use that type of financing. This will cost YOU an additional fee which could be several thousand dollars. So you need to keep this in mind when doing your pricing and net

proceeds. If your home does not fit into the FHA/VA guidelines, your buyers will have to qualify for a conventional loan or pay cash. Also, you need to find out if your existing loan is assumable (qualifying or non-qualifying) and exactly what your payoff is.

While you are talking to the various loan agents, find one that you really feel comfortable with and make him or her “your” loan agent. This will work to your and his/her advantage greatly. If you will keep track of the people that come through your open houses and give those to the loan agent, even if they don’t buy your home, he or she may be able to help them with a loan on something else and in return, they will be right there for you when you find your potential buyer.

If you have decided to have a professional appraisal done make sure an appraiser who is approved by your loan agent’s company does it. This will save time and money later. This will also tell you exactly how much they will loan on your home.

Now, when you get interested buyers, you have the whole package ready, all they have to do is talk to the loan rep, fill out the application, and if they don’t qualify, you can find out immediately...instead of months down the road!

Once the buyer is approved your loan agent and escrow officer will ‘carry the ball’ from there. Let them...they are the professionals...they will let you know if you need to do anything else. Just ask them to update you occasionally and to contact you immediately if there is a problem.

### **Escrow, Title, and Closing**

While talking to loan agents, get a referral to a good, efficient escrow officer. This will be the one who will actually get your

sale closed. In some areas everything is handled by the title company...in other areas there are separate title and escrow companies.

All contracts, agreements, conditions, deeds, prorations, inspection and repair payments, loan documents and everything else involved in the sale come together here. Talking with your loan agent and escrow officer before you start your marketing gives you a tremendous head start and you will know what to look for and watch out for as you market your home.

Your escrow officer...just like your loan agent...has just one thing in mind: to get your home financed and closed as quickly as possible. They don't get paid until the sale is closed.

You do need to stay on top of your deal when it is in escrow. My advice is to give the escrow officer in charge of your deal a call once a week. Just call and see if there are any updates, problems, or potential problems. The best time to make your weekly call is Tuesday –Thursday. Monday and Friday are by far their busiest days.

### **Disclosures, Inspections, & Home Inspections**

The days of “let the buyer beware” are over when it comes to real estate because of the thousands of lawsuits that have flooded the courts over real estate purchases recently, sellers must be aware of their responsibilities and obligations.

Since almost every day we have new cases and new laws which change your requirements, my suggestion here is to consult a real estate agent, broker, or your attorney. We now have pages and pages of disclosures, inspections, required and non-required repairs and certifications, home warranties, etc. At this point, when you have already found your buyer, there are some agents

who may handle this for a flat fee.

The same goes for your tax consequences. Depending upon your age and other factors, you may be in for a severe shock if you don't purchase another home right away! Consult your accountant or CPA before you sell...it's a lot easier to change the terms now rather than after you have already agreed on everything.

### **Bottom Line**

When you get a good buyer and get into escrow, you pretty much have got it made. Keep in touch with everyone concerned, and let it close. Congratulations, You have just saved 5% or 6% of the value of your home.