



# Your Comprehensive Guide to Selling Your House

FOR  
SALE



## Table of Contents

<b>Selling Your House in Today's Real Estate Market</b>	<b>3</b>
What Can You Expect	4
What Are New Customers Looking For	4
Connecting to New Buyers	4
<b>Timing the Sale of Your House For the Most Value</b>	<b>5</b>
Understand Your Reasons for Selling Your House	5
Time of Year	5
Interest Rates	5
House Improvements	6
Local Activity	6
<b>Setting the Right Price to Gain Buyer Attention</b>	<b>6</b>
Comparative Market Analysis	6
House Valuation Tools	6
Pricing Considerations	7
Assets	8
Your Real Estate Agent	9
Finding the Right Agent	9
<b>Showcasing Your House for Today's Buyer</b>	<b>9</b>
Staging Your House	9
Each Space Must Have a Purpose	10
Focus on the Green Features	11
Tech Savvy	11
Make Your House Ready to Move In	11
<b>What to Expect After You List For Sale</b>	<b>12</b>
Hitting the Market	12
Lockboxes & Signs	12
Open House	13
Neatness Counts	13
Market Fluctuations	13
Buyer Offers	13
It's Okay to Walk Away	14
<b>How to Handle Selling Your House While Looking For a New House</b>	<b>14</b>
Selling Your House First	14
Buying a New House First	15
<b>Getting Your House Sold in Today's Real Estate Market</b>	<b>16</b>



## Selling Your House in Today's Market

*For anyone who hasn't ventured into the housing market in the last decade or so, you may be greatly surprised at some of the changes that have taken place and how those changes greatly impact your success at marketing your house. While location and staging are still vital aspects to any successful selling campaign, how you actually go about completing the tasks of marketing has changed drastically. Today, it's not only important that your house be located in a desirable location, but it should also reach out to the new generation of house buyers.*

According to a real estate survey, 28% of all house purchases during February of 2014 were first time house buyers. Additionally, 20% of all house purchases during that same time were made from individuals and families under the age of 33. Overall, housing prices are up over 9% from a year ago with existing houses remaining on the market for an average of 62 days. These numbers are encouraging for existing homeowners looking to relocate.

However, you must understand the current marketing trends if you hope to receive the maximum asking price for your house in the least amount of time. Otherwise, you may be faced with months on the market and reducing your asking price below your comfort level.

## **A. What You Can Expect**

Today, buyers have access to far more research than in years past. 90% of all buyers use the internet to conduct research prior to buying a house. They research the schools in the area, crime rates, selling prices of nearby houses, and browse through countless pictures of houses. Furthermore, these buyers are much more likely to utilize multiple sources such as open houses, real estate searches, and agent listings. It is vital that you stage your house to accentuate its features to this new online customer base.

## **B. What Are New Customers Looking For?**

In a word -- connectivity! Customer's today live in a fast paced world where being connected is vitally important. Over a third of modern households utilize internet connected devices while watching TV. This trend only increases each year. Additionally, as more and more families forego traditional land line phones in favor of smartphones, they want to know their new house will provide them with the digital access they desire.

Another important selling feature young buyers are looking for is the house office. Many young professionals work from home either full or part time. They want to know their new house will have the necessary space to conduct any work related activities without constant interruptions. If your house has a formal dining room, consider converting that into a home office. Contact a computer expert who can advise you on boosting your connectivity capabilities. These may be some of the most cost effective upgrades you can make for your house.

## **C. Connecting to New Buyers**

Once you understand how younger buyers are shopping for houses and what they are looking for, you have a better understanding of how best to connect with them. First, you will need to showcase your house to its best advantage. If you've sold a house before, you understand how this process works. Consider making a walk through video of your house and list all the modern upgrades made recently to the house. Your agent will be able to assist with this if you are unfamiliar with recording and posting videos online. Lastly, pay special attention to digital upgrades recently made to the house. Make sure your real estate agent is fully aware of these upgrades and can alert buyers to these benefits.

## Timing the Sale of Your House for the Most Value

*Selling your house at the right time can be just as important as choosing the right asking price. Sell too early or too late and you'll take a hit on the price. Sell at the optimum time and chances are you'll get your asking price or close to it. Ideally, you would like to list your house and have an offer as soon as possible. While there is no guarantee that any house will sell, there are some ways to ensure you list your house at the optimum time for your location. Remember, the longer your house stays on the market, the less likely you are to get what you ask for it.*

Having a dedicated real estate agent who understands your needs is a top priority to kicking off your house search the right way. However, with hundreds of agents all marketing their ability in your area, it can be hard to decipher which one is right for you. So, it becomes imperative that you begin to understand how an agent will help you and what qualified them as your real estate agent. Below, you can find a few qualities and questions you should aim to discover in a real estate agent:

### A. Understand Your Reasons for Selling Your House

If you have to relocate for work, then you may be limited in your ability to time the market. After all, you need to go where your work is located. However, if you are selling your house because you want to move to accommodate changes in family size or to relocate to a new area after retirement, there are some significant considerations to take into account when listing your house on the market.

### B. Time of Year

Conventional wisdom says to list a house during the spring or summer months when buyers are most likely to tour houses. This is also the prime time for young families to look at moving before the new school year. Depending on the area you live in, you will want to allow buyers the opportunity to walk through your house without the worry of snow, rain, or mud tracked through your house. Consider the local weather. If it's too hot or too cold, then chances are, buyers will want to stay indoors and not explore. The same is true if there are continuous blizzards or monsoons in your area.

### C. Interest Rates

It's a simple fact that more buyers will purchase houses when the rates are low. They want to know they are getting the most house they can afford while paying the least amount of interest. A 1% mortgage rate increase on a \$200,000 can mean \$167 in extra payments each month. The last time interest rates rose, mortgage applications fell by 11.5% within the next month. If rates are predicted to rise in the near future, your buyers may be rushing to lock in the lower rates.

## D. House Improvements

If you are considering a house improvement or have recently undertaken one, wait until after the job is fully completed before listing your house. Shiny new fixtures in the kitchen or bath, a fresh coat of paint, or new carpet tell the buyer that the house is ready to move into with modern updates. For example outdoor improvements such as window upgrades or replacing a garage door are inexpensive and relatively easy to complete but offer sellers an average return on investment of 70%.

## D. Local Activity

Before you consider selling your house, do your own research about the houses in your area. Has there been any activity in the real estate market? If so, take a look at how those houses sold. Did the houses sell for a good price or did they sit on the market for ages and finally sell for much less than asking? If the comps are good, then it's a good time to sell. You will be able to approximate the length of time your house should be on the market and the selling price in advance. If, on the other hand, the comps were bad, wait at least six months before considering the sell.

## Setting the Right Price to Gain Buyer Attention

*House valuations fluctuate continuously due to changes in economy, local marketing trends, and interest rate fluctuations. The good news is there are some things you can address to add value to your house. The bad news is some factors you cannot control.*

*“While you may not think of these items as problem areas, to potential buyers they will send up huge red flags and detract from your home's value.”*

## A. Comparative Market Analysis

The Comparative Market Analysis, or CMA, is one of the best places to start when determining the value of your house. This is a thorough evaluation of recent real estate activity in your area. It provides an in-depth look at listing prices, sell prices, and length of time on the market. Unlike an appraisal, which is an in-depth valuation of your house, the CMA provides a general overview of local trends. Using this data, you can get a good idea of the price your house should sell for.

## B. House Valuation Tools

Other good resources for determining the value of your house are house valuations tools. Available through a wide range of websites, they use the same information as the CMA. However, many valuation tools provide a price range as well as an estimated price for your house. For example, if your house was valued at \$200,000 you may also receive a price range between \$190,000 and \$220,000. This means

your house could reasonably sell for any price within that range. As with the CMA, this tool offers you, as well as potential buyers, a ballpark figure for your house value. Remember, these are tools commonly referenced by younger buyers to narrow down searches and begin preliminary budgeting for the house. By understanding what price range your potential is looking for, you can adjust your price accordingly.

## C. Pricing Considerations



Now that you have a general idea of the overall value of your house, you can begin to calculate a specific selling price. Start by taking a look at the problem areas in your house. While you may not think of these items as problem areas, to potential buyers they will send up huge red flags and detract from your house's value.

- **Pool** - A pool can be a double edged sword for house values. If you live in a neighborhood where every house has a pool, then your house will need a pool to compete with the other houses. However, if you live in an average neighborhood, having an in-ground pool will greatly limit your list of potential buyers. Buyers see pools as constant upkeep as well as an increased insurance premium. A pool won't decrease the value of your house, but it won't significantly increase the value either. If a potential buyer is interested but is concerned about the upkeep expenses involved, offer to reimburse the annual tax assessment for the pool which in some areas can be several thousand dollars.
- **Outdated Kitchen** - If your kitchen proudly resembles the set of your favorite 1970's sitcom, it's time to consider upgrading. This area could hurt your house value by 10% or more. You don't have to do a complete renovation. Upgrade the cabinets with fresh paint and new handles. Consider incorporating glass panels into the doors. You may want to

add a modern tile back splash as a weekend project. Make sure that your appliances and kitchen are uniform and project a modern decorating touch.

- **Poor Maintenance** - If your house isn't aging well, this will be a huge red flag to buyers. A leaky roof or gutters, torn carpet, and outdated paint leave buyers questioning what else might be wrong with the house. Depending on the severity of the issue, buyers may reasonably offer to deduct the total cost of the repair from the purchase price. For example, if your house needs a new roof, that could easily drop the purchase price by \$10,000 or more. While these items will not add value to your house, they will allow you to ask for top price during the sell.
- **Location, Location, Location** - The exact location of your house is a key component in valuation. Even within the same neighborhood, house values may fluctuate based primarily on location. For instance, if your neighborhood borders a major interstate, houses that adjoin the interstate may lose up to 10% of their value based solely on location.

## D. Assets

Now that you know your house's problem areas, take a look at what your house has to offer a potential buyer. For younger house buyers these features are a must. If you have a limited budget for renovations prior to your sell, focus on these areas as they will provide the best return for your investment.

- **Master Suite & Bath** - Buyers today want a house that offers a sense of calm with a touch of luxury. Buyers routinely look for separate shower and tubs, double vanities, and a separate room for the toilet in the master bath. Furthermore, they want a master suite with room to relax and unwind. Depending on your area, updating your master suite and bath can increase house values by as much as 10% or more.
- **Eco-Friendly Materials** - Today's first time house buyers are environmentally conscious about their houses and lifestyles. Not only are they looking for stone, tile, and wood throughout the house, they want to be sure that these products are environmentally friendly.
- **Curb Appeal** - The first thing your potential buyers are going to see is the outside of your house. You want that first impression to invite them in warmly, not make them hesitate at the door. Mature trees are a huge plus and can add up to \$1,000 to your house's value. Additionally, a pleasant curb appeal can increase the value by up to 10%.
- **Storage** - Storage space is a premium asset for any house. Simply put, there can never be too much storage space! Walk-in closets, an over-sized garage, and attic space are all value adding qualities.

### FOCUS ON:

- *MASTER SUITE*
- *MASTER BATH*
- *ECO-FRIENDLY*
- *CURB APPEAL*
- *STORAGE*

## E. Your Real Estate Agent

Merely knowing what increases or detracts from your house's value is not enough to effectively determine a reasonable asking price. This is where a qualified agent comes into play. A good agent can help you price your house and sell it for a higher price than someone with only a mediocre reputation because they understand the local trends and price fluctuations in your area.

## D. Finding the Right Agent

To find a quality real estate agent for your house, start by asking friends and family for referrals. Once you have several potential candidates, interview each one to see who will be the best fit for your house. The following areas will help you determine which agent will best meet your needs.

- Find out what they will do to market your house. A good agent should be proficient at marketing and have immediate ideas which would fit your house.
- Ask about his commission rate. In most areas, this will be between 6% to 10% of the final price.
- Verify he is actively licensed by the state. You can request this information from directly from the state agency which oversees licensing.
- Ensure he is a member of the Multiple Listing Service in your area. This is the most actively searched listing for available houses and provides information about your home to all real estate agents.

## Showcasing Your House for Today's Buyer

*Millennial buyers (young adults between the age of 25 and 34) are one of the largest demographics in the country today. They make up an estimated 79 million members of our society. Interestingly, 65% of those in that age group have expressed interest in house ownership. That works out to over 50 million individuals who are actively interested in purchasing a home.*

In order to effectively target that market when selling your house you must understand how to showcase your houses features to meet their needs. Unlike traditional house buyers who sought out formal dining rooms and lots of time with real estate agents, millennial buyers are well informed and tech savvy. They do most of their own research. If your house makes it to the walk through stage, it must be ready to impress.

## A. Staging Your House

Just like a major theatrical production, your house must be ready for show time. Potential



buyers want to envision living in the house. They need to mentally picture their furniture, knick-knacks, and family living in space that is currently your house. You, as the seller, must facilitate that process.

First and foremost, make sure you de-clutter. Excessive books and magazines on the table, kitchen counters overfilled with appliances, and tons of family pictures on the walls will prevent home buyers from imagining themselves in your space. Put as much of the personal items away as possible.

Arrange furniture to create clear flow of traffic within the room and maximize the space in the room. Lastly, remember, your home can never be too clean. Remove any spots on the walls or touch up areas with a fresh coat of paint. You want your house to invite buyers in warmly and allow them to imagine their family living there.

## **B. Each Space Must Have a Purpose**

For many families, unused space and extra rooms tend to become multipurpose areas. Perhaps there is a guest bed in the room you converted to an office. You may be using your basement for storage, an in-home gym, and a laundry room. While these are perfectly acceptable uses for your space, that type of arrangement will not bode well with potential buyers. Again, they should be able to walk in and visualize their families in your house.

Each individual space should have a unique purpose. Your house office should only be a house office and not double as a guest bedroom. Likewise, extra items should be moved to a designated storage area. If you have a large open area such as a basement which serves several purposes, rearrange the space so that each individual use has its own space allowing for traffic flow. This will help buyers see the overall organization of the house and help them envision future uses for the area.

### **C. Focus on Green Features**

Younger house buyers love green features. Not only will these include green building materials, but also energy efficiency features like programmable thermostats and tankless water heaters. If you have added extra insulation in the attic and installed energy efficient windows, make sure your agent accents that fact.

Contact your utility company and request an energy usage evaluation. Most utility companies will conduct these free of charge or for a small fee. Once you have the recommendations in black and white, provide a copy of the evaluation to your agent to share with potential buyers. This will show your buyers that your house has a reduced carbon footprint and will save them money on energy bills in the future.

### **D. Tech Savvy**

First time house buyers are tech savvy and want to live in a house that accommodates their desire for constant connectivity. Consider installing an inexpensive cell phone signal booster, especially if you live in an area where reception tends to be sketchy at best. It is a small investment upfront, but when buyers are in your house and see the strong signal, they will be more inclined to buy than if they had zero connectivity.

Also, if your home has multiple levels where it's difficult to get a strong wireless signal, consider installing more than one wireless router to enhance the overall signal. Many buyers today bring iPads and tablets with them when visiting a potential property. If they have the ability to instantly connect to friends through the internet and social media, your house stands a much better chance of moving quickly.

### **E. Make Your House Ready to Move in**

The days of young couples choosing a fixer upper to invest in are quickly falling to the wayside. Most young families today want a house they can move into without lots of work. They do not want a list of items to fix or modify before they can live there. Make sure buyers know your house is ready by having a pre-house inspection completed before the buyers request it.

This inspection, completed by a certified house inspector, will give the buyers a good idea of what items need attention early on during the house buying process. They will be able to see a professional recommendation regarding any problem areas they may not be fully aware of. This is particularly important if your potential buyers have little building experience. Having an outside professional certify your house as ready to move into without a laundry list of potential repairs will help put their mind at ease about unforeseen future costs of buying your house.

Remember, even if there are some items which need addressing, your buyers will feel more comfortable during negotiations if they have that information early on. This open candor can help reduce the selling and negotiation time significantly.

## What to Expect After You List for Sale

*By far, the more critical step of the selling process is setting the right price for your house. Prices set too high will scare off potential buyers especially those with a firmly established budget. On the flip side, if you set the price too low, you're leaving your hard earned money on the table.*

Another key strategy to remember is to list according to buyers expectations. Using this strategy, you price your house according to the expectations of buyers for that particular market. For example, if you have a house in an exclusive golf community, pricing a house too low with actually detract from the list of potential buyers because they are searching in a specific price range. Conversely, if your house is in a more moderate area and you price it too high, your buyers will be searching for lower list prices.

### A. Hitting the Market

Once your house is on the market, you may find the process stressful and time consuming. While it is ideal to have multiple offers flowing in within hours of the house hitting the market, that is rarely the case. Do not expect that to happen. For your own peace of mind, try not to put too much pressure and expectations on a firm, fixed timeline for the sell. Remember, if your house is listed for the right price, the chances are very high you will sell it. It just may take a bit longer than you anticipated to find the right buyer.



The selling process can easily be broken down into three distinct phases: preparing your house, showing your house to potential buyers, and responding to market movement. In some cases, these phases may happen simultaneously especially once you start to receive offers on your house. You will continue to show your house until a firm contract is signed.

### B. Lockboxes & Signs

As soon as you sign a listing agreement with your agent, he will list your house with the Multiple Listing Service in your area. This will be done within a day or two after signing the agreement. He will probably schedule a time to come by and take photographs of your house and perhaps record a walk-through video. At the same time, he will install a lockbox at your house and place a sign out front.

The lockbox is key to getting your home shown on a regular basis. This allows agents access to your house while you are out. Some homeowners find the idea of strangers randomly

entering their house unnerving; however, if agents can't show your house, buyers can't see it and you won't sell it.

## C. Open House

Another step your agent will take to bring in buyers will be to hold an open house, which allows potential buyers to visit your house at leisure. Your agent will probably schedule several of these events. The first will be specifically for the local area brokers to scout the house for their buyers. The next will be open to the general public and advertised to attract buyer attention.

When planning an open house, your agent will provide you with a list of items to touch up. This may involve last minute cleaning, minor touch-ups, and furniture re-arrangements, which need to be made. He will also request that you not be present during the open house. During these events, buyers will be brutally honest about what they like and dislike. It is far better that you stay away from any critiques that could be taken personally.

## D. Neatness Counts

Even if you tend to live in a more relaxed house, now is not the time to short cut any cleaning steps. Neatness is essential when showing your house. Channel your inner neat freak. It's better to over obsess about cleanliness than to miss a single day and lose a potential buyer because the house was untidy.

If you have children or pets, pay special attention to problem areas. Make sure toys or electronic games are stored neatly and out of the way. Take a few extra minutes to vacuum pet hair off the upholstery. Even if your buyers have kids and pets of their own, they do not want to walk around scattered toys or be covered in pet hair while touring your house.

## E. Market Fluctuations

Don't be discouraged if you haven't received a firm offer within the first week or two. It takes time for buyers to discover your house and make a decision. That being said, if you haven't seen any serious offers after six weeks on the market, consider meeting with your agent to discuss concerns.

If this happens, try to hold your anxiety at bay. It could be that the market suddenly shifted due to unseen economic conditions. Perhaps your area has been hit with unseasonably bad weather that has kept buyers at home. There may be some improvements which need to be made to your house to make it more appealing to buyers. An honest, open conversation with your agent will help alleviate your concerns ensure that everyone is on the same page.

## F. Buyer Offers

Once a potential buyer is interested in your house, they will make an offer to buy. Don't be surprised if this offer is below your asking price and includes a list of conditions. This is a standard negotiation tactic and can be very effective. The offer will be valid for a specific length of time, generally a few days to a week, to allow you the opportunity to make a

counteroffer.

Before you make a counteroffer, understand terms you can live with if the deal should close. Most buyers don't expect to receive all concessions or even get the price lowered by a great amount. However, if they don't ask for it in the beginning, it is impossible to add it in later. The most productive strategy is to plan to meet somewhere in the middle.

For example, if the potential buyer is asking for you to knock off \$5,000 and pay the closing costs, counteroffer with the original price and \$2,000 toward the closing costs. It may take several counteroffers before the middle ground is reached, but you will be much happier with the result.

### **G. It's Okay to Walk Away**

Also, remember, you don't have to take any deal that doesn't make sound economic sense. If a buyer offers a ridiculously low price for the house, you do not have to entertain that offer. Some buyers simply aren't serious or are looking to turn a quick profit. If you can't in good conscious accept a deal, it's okay to walk away and wait for something better.

## **How to Handle Selling Your House While Looking For a New House**

*Selling your house is only part of the equation of moving. You will also have to acquire a new house. In a perfect world, where all the stars align, you could close on a new house the same day you finalize the sale of your old house. Unfortunately, even if that is your ultimate goal, that perfect coordination of events rarely happens. To fully prepare for you move into a new house, you must consider several possible scenarios and devise a plan for your family.*

### **A. Selling Your House First**

Depending on your own financial situation or the current market conditions, you may find that selling your current house before making a formal bid on a new house is an easier and more straightforward process. Perhaps you haven't found a house you want to buy or you weren't expecting to receive an offer on your house so quickly. If you find yourself in this situation, you may be concerned about where you and your family will live until you close on a new house. It's important to understand you have several options.

First, you may be able to work out a deal with the buyers, which allow you to rent your old house for a short amount of time until your new house is available. Under this type of arrangement, you will generally be asked to cover the new owners expenses for the house for the duration of your stay. If you made a tidy profit on the sell, you may be in for a shock at the increase of expenses.

Second, you may consider moving in with relatives or renting an apartment for the short term. You may need to rent some temporary storage units for furniture and other possessions. This

will be a much more cost effective option if you find you'll need a temporary house for more than a month.

### **B. Buying a New House First**

From a logistics standpoint, buying a new house before you sell your old house will make moving much easier. You'll only need to move your things one time which is the optimum goal. Unfortunately, paying for two mortgages at once is not optimum. In fact, it may be difficult to qualify for the mortgage on your new house before you have sold your existing house. While many lenders are sympathetic to homeowners in this situation, the fact that you will be carrying two mortgages may cause financial hardships until your old house is sold.

One of the biggest hurdles to buying a new house first is acquiring the necessary down payment for the new house. This is especially true if you were planning on using the proceeds from your sale to assist with the new house purchase. There are a few options you may take advantage of for short term solutions.

Consider using the equity in your old house for your down payment. Many house equity lines of credit offer a much lower interest rate than other forms of credit. Additionally, the interest paid on this type of loan is tax deductible. Once the sale of your old house comes through, you can then pay off the line in full.

Secondly, you may consider gap financing or a bridge loan. Under this type of financing you will use the equity in your house as collateral for the down payment amount. This types of loan options tend to be expensive fraught with fees and higher interest than a traditional equity line. Furthermore, they are not widely available and may not be an option in your area.

Lastly, you may decide to borrow against your 401(k). If you are a vested employee with your company, you may be able to borrow up to \$50,000 depending on the balance of your account. Additionally, you can take up to 10 years to repay the loan amount. This will allow you to keep the equity in your house intact. However, you must fully understand that failure to repay the loan will result in hefty IRS penalties and fees for early withdrawal

## **Getting Your House Sold in Today's Real Estate Market**

*Preparing your house for sale has changed in recent years. Younger house buyers are driving the real estate market today more than any other demographic. These buyers are savvy, financially conscious, and exact in the features they want in a house. Gone are the days when formal dining rooms and rigid layouts are popular items. Today's buyers want house offices, technical connectivity, and relaxed, open floor plans.*

Preparing your house for sale has changed in recent years. Younger house buyers are driving the real estate market today more than any other demographic. These buyers are savvy, financially conscious, and exact in the features they want in a house. Gone are the days when formal dining rooms and rigid layouts are popular items. Today's buyers want house offices,

technical connectivity, and relaxed, open floor plans.

To attract these buyers, you must accentuate the features in your house that match their desires. This process will begin with online marketing, which is where younger buyers conduct their research prior to buying a house. Without a solid marketing plan in this crucial phase, your house will not receive the attention it deserves from buyers.

As important as online marketing will be in the selling process, the staging process will be equally important. Even though the majority of first time buyers research and find potential houses through online research, they will make their final decisions based on the walk through. This is your house's chance to shine when compared to other houses on the market.

Make sure that your house is ready for the buyer's walk-through. Become obsessive about cleanliness especially if you have children or pets. Remember, your house can never be clean enough during the selling process. Also, arrange furniture to create a modern traffic flow throughout the house. Lastly, store personal items out of sight to allow buyers to visualize themselves in your house.

Today's housing market has changed to accommodate these younger, tech savvy buyers. You can sell your house in this market, but you have to make your house a competitive player. With a few simple strategies, your house will attract more buyers and stand a better chance moving quickly from available to sold.