

A Step-By-Step Guide On How To Sell Your Own Home, For Top Dollar And In Record Time!

Hello...

I am happy you have decided to receive this FREE REPORT on how to sell your own home and hopefully save the commission at the same time.

Introduction!

Yes you can sell your home on your own, as many sellers have experienced success when selling privately. Let's begin by discussing three important points you must know in advance of a successful sale.

Point 1 - Selling Your Home Is Not Going To Be Easy!

Selling your home will not be easy, unless you sell it at a price far below market value. And you can expect many hours of servicing when selling privately. Why?

When selling privately you have actually decided to become the 'real estate agent'. And to ensure you have a successful sale, you'll find yourself doing the activities agents do to cause the sale. What are some of those activities?

A. Pricing Your Home Properly At Current Market Value

This will require you to get your hands on some information concerning the most recent sales of comparable homes in your area that have sold over the last 120 days.

- Now if you cannot find this information then you will need to hire an Appraiser.

You can expect to invest \$300 to \$1000 for such an appraisal. This investment is absolutely essential to ensure you are not selling too high or too low.

1. Selling too high

It means you'll be wasting time, effort and advertising money since an over priced home will not sell. After all, would you buy an overpriced home from a private seller? So please do not expect your buyer to pay more than current market value.

2. Selling too low

It means you'll not be saving any commission money at all since the buyer got a real 'below market value' bargain. You need to keep this in mind when selling privately.

- Buyers always want a private seller to lower the selling price since you are not paying a real estate commission. Just say no to your buyer when this issue comes up.

Without an appraisal, you will be wasting your money on marketing privately. So make that investment ASAP.

B. Negotiating With Your Buyer

This is one of the most difficult challenges you'll encounter during the home selling process. Becoming skilled on how to handle a buyer takes some "hands on" experience. This is one of the main reasons as to why sellers hire real estate professionals.

C. Closing The Sale

Between the time you accept an offer and the day arrives to close the sale and receive the money from the buyer, you'll need to invest some time in handling a few details. This is the reason why you'll need to hire a lawyer.

- But even then you will still need to perform the agent task of staying in touch with the buyer. Why?

Most buyers get cold feet. It's called 'buyers remorse'. And it's just human nature. We wonder if we made the right decision. We begin to look at the good and bad outcomes of our decision. And the 'good' reasons are harder to find than are the 'bad' reasons. The result of this emotional thinking manifests itself two ways.

1. The buyer tires to get out of the deal

or ...

2. The buyer requests a price reduction

This is where the agent comes in to save the deal. Between the date of signing an offer and the date of closing the deal, agents are constantly providing to the buyer the "good" reasons, keeping the buyer excited about the home.

This is a part of the home selling process most sellers are not aware of since they never see their agent doing these extra 'behind the scene' activities. (Actually agents do plenty of work their clients never see!)

The average sale requires an agent to invest 5 to 15 hours of service time between offer acceptance and closing date in efforts of ensuring the buyer remains excited about the home purchase. You can expect to invest the same amount of time as you try to keep your buyer attached to the sale.

P.S.

Do not expect your lawyer to do this work for you. They lack the personal relationship with the buyer that is required to keep the buyer in the sale.

Point 2 - Selling Your Home Will Cost Money!

Selling your home will cost money. There's no way around it. How much money? Let's review some of the expenses.

A. Advertising

A good rule of thumb in terms of expected advertising cost is 1% of your home's value. So if you are selling a \$200,000 home, then you can expect to spend \$2000 in marketing.

B. Appraisal

As stated above, between \$300 to \$1000. How important is an appraisal? Just put yourself in the buyer's shoes. Would you buy from a private seller and just take him at his word concerning the asking price for the home? Of course not!

But what if the seller offered you, the buyer, an appraisal to prove market value? This would allow you to call the appraiser and have a conversation with him about the home. Then you would feel more at ease about the asking price. And maybe you might even put in an offer.

- This is why you, the private seller, need an appraisal of the home before you try to sell it. You must make it "easy" for the buyer to want to buy your home.

Point 3 - Knowing When It Is Time To Hire A Real Estate Agent!

Another part of the selling process is knowing when it is time for you to stop selling yourself and to hire an agent.

- If you have not sold your home within the first 30 days of trying on your own, then it is time to list with an agent.

Why? There are two reasons.

1. Market Trends

As time passes you will need to re-invest money on marketing, including the appraisal. The market is always in a constant state of change. Your home may suddenly jump \$2000, or even \$5,000, and you need to know current market trends at all times. (I have seen the market increase by as much as 15% within just 30 days.)

2. Advertising Expenses

The advertising budget of 1% is the amount of money you need to invest over the first 30 days of trying to sell your own home.

- Starting in month #2, you can expect to invest additional 1% towards a successful sale.

So the longer you decide to keep selling yourself, the more you'll need to budget for marketing.

Summary

Before we get into the FREE Report on how to sell your own home, allow me to summarize what you need to consider when selling privately.

1. You need to decide upfront just how many months you will set aside for selling your own home before you will hire an agent.
2. You will need to know the current market value of your home.
3. You will need to have an agent who can help you when your buyer makes an offer. (If you do not have one, then the Realtor who sent you this free report would love to help.)
4. And you need to know how to keep your buyer in the deal until closing!

Let's now review the FREE Report!

Stage 1:

- **Understanding Your Home's Price Within The Market!**

Price is the most important yet also the most misunderstood step within a private seller's marketing efforts. In fact, it is the #1 reason why private sellers fail to sell their own home. And I do not want this to happen to you. To make sure it does not, you need to focus on two areas so price works for you and not against you.

Area 1: Current Market Conditions Prevailing In The Marketplace

There are at any given time only three market situations any seller will find themselves within when selling a home. Let's review each within the following chart.

Market Conditions	Market Characteristics	Market Implications
<u>Buyer's Market</u> The supply of homes on the market exceeds demand.	High inventory of homes. There are few buyers compared to the availability. Homes on the market longer. Prices tend to drop in this type of market.	Your home may take longer to sell. You may have less negotiating leverage in terms of selling price.
<u>Seller's Market</u> The number of buyers exceeds the supply or number of homes on the market.	Smaller inventory of homes. Many buyers. Homes sell quickly. Prices usually increase.	You may have more negotiating leverage and obtain a higher selling price for your property.
<u>Balanced Market</u> The number of homes on the market is equal to the demand or the number of buyers.	Demands equals the supply of homes. Homes sell within an acceptable time period. Prices generally stable.	A more relaxed market atmosphere. Buyers have a reasonable number of homes to choose from.

Important Notice

To properly analyze your current market condition, you will need to know which of the three conditions are now occurring within your market. How can you get

this information? You can try calling the local MLS board in your area. Here's what to ask for when you make the call.

1. Total listings on the market over last 90 days

2. Total sales within the market over last 90 days

Example:

- If there were 3000 listings, and only 1000 sales, that is a buyer's market. (45% or less rule) Prices will reflect a little less than stability. But if there were 3000 listings and only 500 sales, prices would be declining sharply.
- If there were 3000 listings, and 1500 sales, that's a balanced market. (46% to 60% rule) Prices are stable.
- If there were 3000 listings, and 1800+ sales, (60% or higher rule) that's a seller's market. Prices would be increasing, even more so if the timing of the sales are quick, usually within just a few days of going on the market.

Once you discover the type of market you are in, you need to price your home accordingly. How?

1. A balanced market will reflect a longer sell time with homes priced above market value.
2. A seller's market will be quick sale times at or slightly above market value.
3. A buyer's market will mean you need to price your home slightly below market value to have a timely sale.

Area 2. Your Competition

Once you know the kind of market you are in, the next thing you need to know is your competition. Here's where you are going to need to do some real work.

1. You will need to be aware of your competition within a radius of at least 7 miles of your home.
2. You will need to find out what each home is selling for and what they have to offer. You can find this out by calling every home that is for sale.
3. Once you narrow it down to homes priced at your price level, then you will need to personally inspect each home to see what they are offering the buyer so that you are 'competitive'.

How can you see these homes? One thing is for certain, a Realtor does not have the time to be showing homes to "unqualified buyers" and "private seller

competitors" so you will need to keep an eye on open houses and newspaper advertising. Visit the open houses and take a good look around the home. Do the same for newspaper ads. What will you need to look for? We'll discuss that in our next point.

4. You will need to be comparing your home to the competition according to:

- Number of bedrooms
- Age of home
- Age of neighborhood
- Number of baths
- Pool and spa
- Garage size
- View
- Waterfront
- Lot Size
- Home Condition
- Upgrades
- Features

Caution:

Recent maintenance items such as new roof, paved driveways and cooling units do not increase a home's value. Only major improvements increase value, such as new kitchens, pools, and finished basements, etc. So when comparing your home to others... keep this in mind.

Setting Your Price!

Once you have all the above information, you will need to get your hands on recent sale information. When combined with present competition and market conditions, you can now price your home.

Always price your home according to recent sales more so than present competition, unless the competition is selling lower than recent sales. If they are you will need to decide if you will wait until the competition sells before placing your home on the market.

Summary

I know this may sound challenging but it is the work you will need to do since you have decided to become the Realtor instead of hiring one. It may take you upwards of two weeks to gather all the information. Please invest the time and effort, for it is essential in terms of ensuring a successful sale. Now if you feel you cannot complete this task yourself, I am sure that the Realtor who is providing this FREE REPORT to you would be happy to do the work for you. Now let's move on to Stage 2.

Stage 2:

- **Understanding How To Calculate Your Bottom Line!**

Once you have determined your market value through researching recent sales, you are now in the position to calculate your bottom line. What is bottom line? It is the amount you will net, and receive a check for on closing, after paying all expenses associated with selling a home.

And even though you are selling yourself, the only expense you may save is the commission. You will still need to pay the other closing costs just like any other seller. What are these costs? Generally speaking, the following are the costs you can expect to incur when selling your home. These costs are deducted from your sale price.

1. Mortgage or loan

Any 1st, 2nd, 3rd mortgages or liens will be deducted from the sale.

2. Loan Discount Points

If the seller paid points on the buyers' loan, then this is deducted. Example: Sale price \$125,000, and the buyer put down \$25,000 and took a \$100,000 mortgage. One point on that mortgage would be \$1000, and 2 points would be \$2000, etc.

3. Prorated Interest

Interest on a mortgage is generally charged on arrears. This means that when you make your June payment, you are actually paying for May. So if your home sells on the 28th of June, you still owe interest for 28 days even though you made your June payment.

4. Buyers Closing Costs

If you agreed to pay the buyer closing costs, then you need to set aside money for this expense on closing.

5. Attorney Fees

You'll need one for closing your home.

6. Escrow Fees

Escrow companies are 3rd parties that hold funds, handle paperwork and cover all closing conditions before releasing the final monies or transferring title.

7. Transfer Taxes & Charges

Check your state government for these charges.

8. Appraisal Fees

If the buyer needs this for financing, sometimes the seller has agreed to pay. If so, you need to deduct from sale.

9. Termite Inspections

Required on some loans and sometimes requested by the buyer. If so, you need to deduct from sale.

10. General Inspection

Sometimes required by law and other times by the buyer. If so, you need to deduct from sale.

11. Title Insurance Fees

Title insurance protects the buyer and the lender against issues of improper title. The title company researches title to make sure it is clear for transfer.

12. Homeowner Association Fees

If your area has HOA, chances are that there is a fee for transfer on closing. You need to check this out.

13. Prepayment Penalties

Your lender may have an early prepayment penalty for ending the mortgage sooner than term expiry date.

14. Reconveyance Fees

They are fees that are charged to pay off liens.

15. Failure To Notify Penalties

Some loans will automatically charge an extra month of interest if you fail to give them advance notice of sale.

16. Assumption Fees

If you are allowing the buyer to assume your mortgage, there is generally a fee.

17. Home Warranty Coverage

If included on your home and requested in the deal by the buyer, you may experience this fee.

Summary

You need to find out about these selling expenses **BEFORE** you actually sell your home, so that you can calculate your bottom line.

Now if you feel you cannot complete this task yourself, I am sure that the Realtor who is providing this FREE REPORT would be happy to do the work for you.

Now let's move on to Stage 3.

Stage 3

- **Preparing Your Home For The Sale!**

Have you ever noticed just how much attention a car manufacturer and dealer invest in the appearance of a car? It's called "showroom shine". Why is this important in the car business? The reason is car buyers actually buy two things when buying a car.

- 1. Paint color or what is called showroom shine.**

- 2. Payment amount.**

And it is in that exact order that they buy cars. Well, the same applies to your home. And the purpose of this stage is to address point one... paint or showroom shine.

Properly preparing your home will make the difference between a quick sale and a slow sale. How do you properly prepare a home? There is only one way and that is through the eyes of a buyer. You, the seller, must remove how you see your home and see it through the eyes of a buyer.

Please remember... buyers view many homes when shopping for a home. This means you must be 'right on the money' when it comes to your showroom shine. Why? Buyers buy showroom shine. The objective for showroom shine is to make your home appear well maintained, spacious, organized and clean. Factors such as lighting, colors, decor, sounds and smells must all be taken into consideration.

Here's a good checklist to follow in the process of creating an impressive and effective showroom shine for your home.

Outside Your Home!

- 1. Curb appeal**

This is how your home looks from just across the street. It is the first impression a buyer will have of your home. A poor curb appeal will only lead to a slow sale or a no sale at all. Make sure your lawn is at its best, plant nice flowers and have trees and shrubs looking their best.

- 2. Your driveway**

Is it in good shape? Have you removed the oil stains?

- 3. Your roof**

Have you fixed any loose or missing shingles or tiles?

4. Your mailbox

Is it up-to-date or an older model? Buy up-to-date before you sell.

5. Your front door

The door simply needs to be fantastic.

6. Windows

Clean and if any are broken or cracked, get them fixed now.

7. Exterior paint

Is it chipped, peeling or blistering?

8. Garage door

Any dents? Then repair them ASAP.

9. Political signs

Get rid of them during the sale period.

10. Back and side yards

Follow the same points as above.

11. Your cars

If you have cars that are not so good looking, then please have them out of sight.

Now For The Inside Of Your Home!

1. Front entry

Clean and make sure it is not piled with shoes.

2. Front closet

Have the door opened and remove clothes you do not wear so that it looks spacious.

3. Carpet

Must be clean.

4. Door to garage from inside home

Have it opened and make sure the garage is cleaned up and spacious.

5. Interior painting

Should be fresh.

6. Windows

All must be kept clean during the entire sale and please remove any stickers.

7. Light bulbs

Replace all with new ones and make them nice and bright.

8. Furnace and air conditioner

Clean them up.

9. Home clutter

Remove any furniture that you do not really need to use during the sale for the purpose of making the rooms look larger.

10. Little details

Have them fixed up and clean.

11. Kitchen

Must be clean and bright.

12. Fridge, stove and dishwasher

Clean and shiny.

13. If you smoke

Then clean the walls and ceilings. And invest in air cleaner and freshener to get the smoke smell out.

14. Plants

Have them looking their best.

15. Bedrooms

All beds must be made and the rooms neat in appearance.

16. Bathrooms

Have them clean and smelling good.

17. Bathtub and toilets

Get the stains out and have them clean and bright.

18. Pets

Never have your pet in the home when a buyer is viewing it. And get the pet odors, toys and hair out!

Summary

Remember, you are selling an asset that is far more expensive than a car. And if the car companies invest so much care into their product, you need to as well when it comes to selling your home.

Also, a second opinion comes in real handy on this selling point. I am sure the Realtor who is providing this FREE REPORT would be happy to give their opinion concerning the showroom shine of your home.

Now let's move on to Stage 4.

Stage 4

- **Marketing Your Home!**

With stage 3 completed you are now ready to begin marketing your home. And there's only one rule about marketing... getting your phone to ring!

- The goal in advertising is not to sell your home but rather to have prospects visit and view your home. Your home will sell itself once you are successful in getting prospects to take a look at it.

Since you are not working with a Realtor, you simply must understand that the buyer pool from which you will draw your buyer is very small. Why? Well you need to understand the difference between a 'qualified' buyer and a buyer. By understanding this difference you will be better able to categorize the calls you will receive when you begin advertising.

- In real estate, there really is only one kind of buyer and that is a homeowner who has just sold his own home and is now in need of a new home before the closing date arrives on the sale of his current home.

Do you understand what I mean? If not, allow an example.

Urgency

Tom Jones sells his home on July 1 with a closing date of October 1, which is 90 days away. Tom is now a "qualified buyer", since he is homeless in 90 days if he does not find another home. This is the only kind of buyer you must source out for your home. Why? Tom has urgency and that urgency creates the environment needed to make a purchase decision.

A buyer who is not potentially homeless will simply have no urgency to buy a home. And without urgency, a buyer has really no need to buy a home unless he finds his dream home at a dream price. (Dream price means finding a \$200,000 home and paying only \$100,000 for it.) So a "buyer" is looking for a steal of a deal while a "qualified buyer" is under urgency.

And by the way, Tom does not have 90 days to find a home. He needs to find that home within roughly 15 days from July 1 in order to be able to match closing dates or else when October 1st comes along Tom will need to move into a hotel. (Or even worse, his mother-in-law's home!)

Can you now see why the MLS has such an advantage? It's simply a fantastic system! Realtors are working with qualified "homeless" buyers who are operating under urgency. They have the inside scoop on who these buyers are since they just sold their homes.

- However you can still sell your home privately by investing the money into advertising to get that phone to ring. And when it does, you need to qualify the buyer.

How do you qualify the buyer?

By asking this simple question!

- "Sir, have you just recently sold your own home?"

Any and all callers who answer with "I just sold my home." are qualified buyers and you need to do your best to have them drop over to your home for a showing.

The other callers are not qualified and in my opinion you should not even bother showing your home to them since the odds of selling it are very low.

Now How Do You Get That Phone To Ring?

It is very simple. You need to advertise that you are selling your home at a hot price. After all that's what we all want to find as a buyer, a great home at a great price. So here's the ad I suggest you use.

\$98,700, Fantastic deal! Save Money Today! Wilson Way Drive, Financing Available, 4 Bedroom, Fireplace, Pool. Call info line at 555-555-5555 or visit (Insert your web site url here)

That's all. Say nothing else. (Of course you need to say 3 bedroom if it is a 3 bedroom, price at your price point, etc.) This ad will cause your phone to ring and when it does, ask the qualifying question. Also, when you ask for the appointment you need to offer two alternatives for showing. Here's how.

- "Great, is Monday or Tuesday evening better for you to drop by and see the home?" Then wait for the answer and then follow-up by asking, "Is 7 or 8 better for you?".

Why? Well that's how it's done in terms of booking appointments in the sales business.

Summary

Remember, you should be prepared to invest at least 1% of the value of your home in advertising and this is a monthly budget. So if you have not sold your home by the end of the first month, you should turn it over to a real estate company. By marketing it for more than one month your expenses will begin to reach or exceed the real estate commission level you are trying to save. At this

point it simply no longer makes sense to try to sell your home yourself. And I am sure that the Realtor who is providing this FREE REPORT would be happy to offer his or her services. Now let's move on to Stage 5.

Stage 5

- **The Offer Presentation!**

Here is how to “entertain” an offer.

Step 1:

Familiarize yourself with a standard purchase contract.

Step 2:

Only accept a written offer.

Step 3:

Do not expect the buyer to have the proper forms, so have a few available and hand the buyer a form should they express interest in the home.

Step 4:

Always negotiate face to face and never over the phone, by mail or the Internet.

Step 5:

Politely but firmly take control of the offer situation.

Step 6:

Make sure that every item discussed between you and the buyer is in the offer.

Step 7:

Have the buyer initial each paragraph within the offer.

Next...

Let's address how to structure the offer.

1. Down Payment:

It should be at least 2% to 5% of the selling price of the home.

2. Price

It should be at market value without reducing to net commission dollars. In other words, do not give in to the buyer when it comes to reducing the price to offset the commission you are saving.

3. Conditional Offer

Never accept a conditional offer. If the buyer needs to be approved for a mortgage, then have the buyer go to the lender before you accept the offer.

If the buyer wants to sell his home first, then do not accept this kind of offer but tell him to place his home on the market, sell it and then come and make an offer.

4. Closing Date

If you are selling before you have found a home yourself, your closing date should be no less than 120 days from that date of the offer being accepted.

5. Loan Discount Points

Who pays?

6. Appraisal

Who pays?

7. Home Inspection

Who pays?

8. Items Included

Such as dishwasher, stove, etc. Cover this clearly with the buyer.

9. Title

Is it clean and clear to give to the buyer?

Summary

Always prepare for contingencies. Although a buyer may meet all the requirements for offer acceptance, issues may just come arise. And when they do you need to insert these potential problems into your offer and have the buyer sign it. A typical example is a closing date extension request.

If this seems a little too much for you to handle, I am sure that the Realtor who is providing this FREE REPORT would be happy to offer his or her services. Now let's move on to Stage 6.

Stage 6

- **The Time Between Offer Acceptance And Closing Date!**

There are many items that can go wrong with the offer before the closing date arrives. Let's review a few.

1. Buyer Remorse

Guess what happens to a buyer as soon as they know that the homeowner has accepted their offer? They begin the process of rationalization called "Buyers' Remorse". This is the time when the buyer suddenly becomes an anxious, worried individual who needs all kinds of tender loving care and encouragement that they made the right purchase decision.

This tends to be a very busy time for a Realtor, as they know they must ensure a smooth and quick rationalization process. They do this by maintaining contact with the buyer right up until closing. You too must maintain contact with your buyer. Discuss important issues like schools, churches, parks, sports complexes and other neighborhood features during your "taking care of the buyer" remorse period.

2. The Fine Details

You will also need to deal with mortgage companies, title companies, escrow companies, an attorney, an appraiser, an inspector and any other issue that pops up.

3. Deposit Monies

You need to make sure the deposit monies are in a solicitors trust account. And you will need to provide evidence to the buyer that this matter is under control.

4. Transferring Utilities And Change Of Address

You'll also need to make arrangements for utility transfer and change of address.

Summary

Always prepare for contingencies. Make sure your buyer is feeling great about the home during the closing period. Take every opportunity to keep your buyer pleased during this time period. And if an issue comes up that may stop the deal from closing, settle in the favor of your buyer. Why? It is much easier to save a deal than it is to create a new deal with a new buyer.

And if you need help with any of these issues, I am sure that the Realtor who is providing this FREE REPORT would be more than willing to assist you to ensure your deal stays in place. Now let's move on to Stage 7.

Stage 7

- **The Closing Date Of The Sale Arrives!**

The last stage of the selling process is the day of closing. The people you have employed, such as a lawyer, title company, and mortgage company will handle this day. Be handy to a phone so that if any last minutes issues arise, you can be easily contacted for a resolution. Also you will have needed to arrange for the move itself, transferring the utilities out of your name and change of address at the post office.

Summary

If you are successful at reaching this stage of the closing process, you really need to understand just how fortunate you are as compared to other Private Sellers.

Only 3% to 9% of private sellers are successful at actually selling their own home. As for the remainder, they end up listing with a Realtor. So if you try to sell your own home and find yourself not succeeding, please do not feel like if you have failed in some area.

When Should You Employ The Services Of A Realtor?

In my opinion, you should not invest additional money beyond the initial 30-day period, as expenses simply offset any savings in commission.

- What kind of Realtor should you select when employing the services of a Realtor?

Let's move to the next section to review this issue.

Selecting A Realtor!

If you have not sold your home within the first 30 days of placing it on the market, then you have reached the stage where employing the services of a real estate agent will save you money. Why? It simply becomes too expensive for you to market the home. In fact, going beyond the initial 30 days will cost you more money than if you had employed a Realtor from the beginning.

What should you look for in an agent before hiring one? There are really only 5 points you must ensure your Realtor embraces. Let's review each.

Point 1: Multiple Listing Service (MLS) Driven!

Never hire a Realtor who is not a member of the MLS. The MLS is the most powerful meeting place for buyers and sellers. It is responsible for up to 97% of all real estate transactions in any market within North America.

Point 2: The Realtor Must Know How To Sell Into The MLS!

Just listing your home on the MLS board is not good enough, as more is needed to generate a quick sale.

- You simply must make sure your Realtor sells "into" the MLS. What does selling into the MLS mean? Let's explain through an example.

Selling Into The MLS

Let's say your home is selling for \$200,000. When your home is placed onto the MLS, sellers who currently have their home listed on the MLS at \$140,000 to \$170,000 are your targeted group of buyers. Why?

It is called the move-up gap. When they sell their home, they will want to "move up" from the \$140,000 - \$170,000 home to the \$200,000 range of homes.

- You must make sure your Realtor understands this "move up" concept of selling into the MLS and has a marketing strategy to reach these \$140,000 to \$170,000 homeowners who are on the MLS.

How Is This Done?

Your Realtor will personally contact all the MLS Realtors who control these listings. This personal contact is made to make sure your home stands out to these agents so that when their client's home sell, they will be ready to take them to view your home.

The contact should be by email, phone and print.

Point 3: Realtor Experience!

Never look to experience as the total number of years a Realtor has in the business. It really does not matter if they are under 1 year or over 30 years in experience. However, what does matter is their track record.

To review track record, you will need to ask for testimonies from your Realtor. These testimonies are from past clients your Realtor has serviced. Ask your Realtor for at least three testimony service letters, with contact information.

You should call each individual and discuss their experience with the Realtor. And please make sure the testimony letters are 30 to 60 days old, meaning they are from recent clients who just sold their home with this Realtor.

Point 4: Listing Or Buyer Realtor?

There are two types of Realtors within the industry. The first are those Realtors who deal primarily with sellers and the second group are Realtors who deal primarily with buyers.

- Never choose a Realtor who deals primarily with buyers.

Since you are selling your home, you need a Realtor who markets to other Realtors first. Allow me to explain. Very few buyers are first time buyers and buyer agents tend to work with first time home purchasers. But the vast majority of buyers are resale buyers, meaning homeowners who recently listed and sold their home and are in need of another home.

When a homeowner lists and sells a home, that homeowner already has a relationship with his agent, and in 98% of the time uses that agent to help him find his next 'move-up' home.

When you have a Realtor who understands the MLS and how to sell into it, this Realtor already has the necessary relationships with other Realtors that is essential in selling your home.

Point 5: Understands What Really Sells A Home!

You must ensure your Realtor understands how homes really sell. And the only way to do that is to discuss open houses and advertising with your Realtor.

- If the Realtor states these are effective ways to sell a home, then please DO NOT employ this Realtor.

Only consider employing a Realtor who understands that MLS marketing and market value pricing when combined sells a home.

Your Next Issue

The next issue to discuss when selecting a Realtor is price. Let's review this issue now.

Setting Price

This is perhaps the easiest task when selling your home. How is price determined? Before we answer this question, allow me to first say something about Realtors and home pricing.

1. Realtors DO NOT Set The Price Of A Home

The open market sets the price. All that a Realtor does is inform a homeowner about what the market is now indicating concerning the value of the home.

2. Different Realtors Will Quote Different Price Ranges

Why? The reason is that market pricing is actually range pricing. However, each Realtor will outline a slightly different asking price range based upon their experience and personal opinion.

3. Which Range Do You Select?

That depends upon the most recent comparable sales and the upward, downward, or stable pricing trends of the market. But allow us to suggest your market is increasing in price by 3% per year. This means your range should be no higher than 3% of the latest comparables.

4. Realtors Only Market Homes

The job of your Realtor is to market your home. And he/she can only do so if you price the home properly, within the ranges now moving within your market. If you overprice your home, your Realtor will simply not be able to sell it, even if your Realtor is the #1 agent in town!

Summary

Setting your price is the most important issue in terms of selling your home. There are a few pricing issues you will want to avoid when selling, and this takes us to our next issue.

Your 2 Price Options: Asking Price Or Value Price?

If you want to sell your home at the highest possible price, in the quickest time and with the greatest amount of ease, then you have a decision to make concerning price.

1. Do you want to be an "Asking Price" homeowner?

or ...

2. Do you want to be a "Value Price" homeowner?

What is the difference? Let's review through the following discussion.

Example With Realtor Speaking First...

"Folks, I agree with you that your home is among the nicest in the neighborhood. And to make sure it sells, we really need to see the purchase process from a buyer's point of view. You see, it is a buyer who gives us the money for the home and it is indeed wise to consider his perspective, wouldn't you agree?"

Mr. Homeowner, there are 2 kinds of buyer pools in the market at any given time for you to draw your buyer from.

1. The first group is called the Asking Pool

This is the group of buyers out looking at properties within certain asking prices, in our example \$200,000.

2. The second group is called the Value Pool

This is a group of buyers looking at properties within the value range of \$150,000, according to our example.

So, if you as the homeowner are trying to sell your \$150,000 value home for the asking price of \$200,000, here's what's going to happen.

A. The Asking Pool Group of Buyers

These buyers are going to visit your home. They also will be visiting other \$200,000 homes. And these other \$200,000 homes are your competitors. Their homes are really worth \$200,000 and have benefits and features that are better than yours. After all, generally speaking a \$200,000 home would naturally offer more benefits and features than a \$150,000 home. So when these \$200,000 buyers visit your home, they will see that they can get a better home, or more home for their \$200,000, at your competitors' homes.

- Do you understand what I am saying Mr. Homeowner?

So they will not even bother to put in an offer since they will find a better deal for the same money just down the street!

The result... your home does not sell.

B. Next Let's Look At The \$150,000 Value Pool Group Of Buyers

This group of buyers will not even visit your home, since they only want to invest \$150,000. And even though you may drop from \$200,000 to \$150,000 and accept their offer, how do they know that when your asking price is \$200,000?

They naturally think, and they are correct, that since you are asking \$200,000 that you want something around \$200,000 and that your Realtor has listed the home at fair market value, since that's what a professional Realtor is supposed to do when listing a home for sale! So these value buyers will never look at your \$200,000 home. The result is that they do not buy your home!

Mr. Homeowner...

If the "Asking Pool" group of buyers will not buy your home and the "Value Pool" group of buyers will not buy your home, who exactly are we going to find to buy your home?

The only answer to that question is a *Sucker Buyer*...

But here's the problem with that Mr. Homeowner. Even if we are successful at finding a *Sucker* buyer, the system will end up protecting him. Allow me to explain.

When a buyer purchases a home they almost always need a mortgage to close the sale. And buyer-financing problems are the number one reason why sales do not close. So since they need a mortgage to close the sale, they naturally go to the bank. The banker then orders an appraisal of the home to make sure that the buyer was not a *Sucker* buyer and paid too much for the home. Why? Because the last thing a bank wants is to end up financing is a *Sucker* home!

So when the Appraiser tells the bank that it is a *Sucker* deal, the bank will not give a mortgage on the home. And let me tell you, bankers talk to one another so it is not going to be all that easy to find some dumb banker to lend money on that home! (*He can lose his job if he did that!*)

The result is that the home you thought you sold to the *Sucker* buyer for \$50,000 more than it is worth ends up not closing since the *Sucker* buyer cannot get a

mortgage from anyone. Therefore we need to understand all this, make the right decision, and price the home properly from the start.

My question to you Mr. Homeowner is this...

- Do you really want to sell your home?

Or

- Are you just trying to find out if it can sell at an inflated price?

Summary

Selling success is found by pricing a home in the "Value" pool. Every successful business, from Wal-Mart to real estate, is successful because they understand this difference.

Buyers, regardless if they are purchasing a \$2 item or a \$200,000 item, also do so through the "Value" pool concept. In fact, our entire economy is based upon the "Value" pool theory. Just take a look at the stock market. As soon as a stock's value is consider too high, that stock quickly falls.

Therefore we need to position the price of a home within this very same "Value" pool strategy. It is a proven concept that has made the United States the #1 economy in the world!

But how high should you price your home within the "Value" pool? Let's review this point next.

Your Option: Win Or Just Compete!

Once we decide to price within the value range, we then need to guard against top value pricing. What is top value pricing and why is it so damaging to a successful sale? Let's discuss this in detail.

- Have you ever heard of a “Stale Home”? Probably not! Allow me to explain.

When your home is first placed on the MLS board there will be activity, which means that since your home is fresh on the market MLS Realtors with qualified buyers will be anxious to show your home to these buyers.

And when they do, your home will be in competition with other homes at that same price. So let's say you want to try to sell your home at an extra \$5,000 for a few weeks, just to see what happens and then lower it later to fair market value. Here's what is going to happen. When the MLS Realtors bring their buyers to your home, they will discover that your home is overpriced compared to the other homes they are seeing that day with their buyers.

The Result Will Be Twofold

1. The buyer will not buy your home since he can buy “More Home” for the same price at your competitors' home when comparing it to your home.

This in itself is damaging to the sale of your home but the second point is far more damaging.

2. The MLS Realtors will consider your home to be overpriced, or at top value pricing, and call it a “Stale Home”. And now they will not show your home again.

What this causes your home to become is a “Stale Home”, which is the worst possible thing to ever have happen to your home. Why?

Once Again, The Answer Is Twofold.

1. MLS Realtors are the first to consider your home before showing it to their buyers. And if we cannot “Sell it to the MLS Realtors”, we'll never get the chance to sell it to their buyers.

2. Once your home becomes “Stale”, it is next to impossible to regain that “FRESHNESS” in the eyes of the MLS Realtors unless we completely take it off the market for at least 30 days. Then by that time the MLS Realtors will have forgotten about it so that when we do put it back on the market at the right price we will have the freshness back.

So, You Have One Of Two Decisions To Make.

1. We price it high today and are prepared to take it off the market in two weeks, and then put it back on the market 30 days later at the fair market value price.

Or

2. We price it right today.

Is It Worth The Trouble?

Do you think it is worth all this trouble to try to get more than market value when we know upfront that we will eventually need to lower that price anyways?

Buyers Buy Homes The Same Way They Buy Groceries!

If you are at the grocery store and there are two cans of tomato soup, and one can is for \$1 and the other can is for 95 cents, which of the two would you buy? The way all of us buy food, cars, insurance and all other items is the same way we buy homes. This is why it is so important to make sure that when you price your home; you really take a good look at what your competition is up to in terms of price.

Summary

Therefore... please make sure your Realtor provides to you a detailed competitive market analysis before placing your home on the market. This analysis is critical to a successful sale. There is only one more issue we need to discuss about price and let's do so now.

Understanding A Bounce Home!

The last issue that we need to discuss is the concept known as the bounce home. The best way to explain this marketing situation is through an example discussion. Let's listen in on a conversation between Mr. Brown and his Realtor.

Realtor:

Mr. Brown, according to our competitive market analysis at the price you are suggesting we really are not overpriced. Overpriced listings are those where the homeowner wants more than \$5000 to \$10,000 as compared to his competition. So in your case, price is really fine! However, at the same time we really need to be careful about making sure your home isn't going to be **used** by other Realtors to sell your lower priced competitors' home. Allow me to explain.

Mr. Brown

All right, I'm listening.

Realtor

When Realtors show homes, they usually show them in price ranges. What this means is that a Realtor with a buyer wanting to invest \$200,000 will show homes between \$190,000 to \$210,000. So let's say your home is at the top of that range. Since it is such a narrow range, the differences between the homes will be mostly cosmetic. The Realtor will schedule your home in the tour of homes he takes his buyer to view. But what he will do with your home is use it against us and for your lower priced competitors by saying to the buyer that the \$200,000 home offers the same house for less money.

- Basically your home becomes known as the "Bounce Home". Do you understand what I mean Mr. Brown?

Mr. Brown

I think so.

Realtor

We must make sure this does not happen for too long, since all we will accomplish is to help our competitors to sell their homes.

Therefore...

You and I need a price reduction strategy to counter attack this situation so that your home sells. And how we do that is to monitor your competitors' homes while

your home is for sale. And should a competitor's home sell, what this tells us is that Realtors have identified your home as the "Bounce Home". At that time, we need to reduce the price to make the price range gap a little smaller.

Mr. Brown

How much smaller?

Realtor

I would estimate somewhere around \$4000 to \$6000. And we really should make this reduction within the first 14 days of the listing term. Does this make sense to you?

Mr. Brown

Yes, I guess. I didn't know some homes could be used this way!

Realtor

Yes indeed and it happens quite frequently. That is why I wanted to explain this to you. Mr. Brown... here is a price reduction form. Let's fill it out now so that I have it at the office, ready for quick use just in case Realtors begin to use your home against us!

Mr. Brown

That's a good idea. But when will we lower the price?

Realtor

We may not have to at all. But I will keep you posted on the matter and should it become an issue, we can act to resolve it then. Sound fair?

Mr. Brown

Yes!

Summary

So please make sure you have this "Bounce Home" discussion with your Realtor the same evening you list your home for sale. By doing so you will know in advance what the competitive price reduction needs to be. Now let's review the final summary!

Free Report Summary!

Selling a home privately is indeed a rewarding experience. I certainly hope the information provided in this free report will help you to succeed both in selling yourself and if not, then in selecting a Realtor to market your home.

I strongly recommend you begin to interview Realtors immediately rather than waiting until you reach the conclusion of selling privately. This way you will be prepared to place your home on the market when the time to hire a Realtor does arrive.

How Many Realtors Should You Interview?

You should invite no more than three Realtors for the purpose of providing a competitive market analysis, CMA, on your home. You should not be surprised that each Realtor will have a slightly different pricing opinion. What you are looking for is the lowest to the highest pricing range. Let's review an example based upon a home worth \$200,000.

- Realtor 1's CMA states a recommended pricing range between \$198,000 to \$208,000.
- Realtor 2's CMA states a recommended pricing range between \$197,000 to \$210,000.
- Realtor 3's CMA states a recommended pricing range between \$201,000 to \$212,000.

This will provide you with an accurate pricing range for your home based upon prevailing market conditions. Reviewing the above example tells us that this home's pricing range has a low of \$197, 000 and a high of \$212,000.

What Next?

After you interview three Realtors, it is now time to make a selection.

- Please **DO NOT** choose your Realtor based upon (1) personality or (2) friendship.

Rather Choose Your Realtor Based Upon The Following!

1. The testimonies of other homeowners the Realtor has worked for in the past.
2. The integrity factor of the Realtor. How do you decide this issue? At the listing presentation appointment, was the Realtor upfront and honest with you during the interview?

And most importantly....

3. Did the Realtor stress the MLS during the presentation?

Allow Me To Explain!

When you get down to the bottom line, the MLS is the most effective method for selling homes. But most Realtors simply place a listing on the MLS. You do not want to hire such a Realtor. Rather you must hire a Realtor who understands completely how to sell into the MLS. Remember what we discussed a few pages back.

- "You must make sure your Realtor understands this "move up" concept of selling into the MLS and has a marketing strategy to reach these \$140,000 to \$170,000 home owners who are on the MLS."

Make this MLS knowledge a major "determining factor" in terms of deciding which of the three Realtors you will hire.

And Lastly, Three More Points To Consider...

1. Choose a Realtor who is enthusiastic about being a Realtor, one who is passionately involved within the industry.
2. Never choose a part-time Realtor.
3. Always choose a Realtor with excellent presentation skills and materials.

Conclusion

I want to say "Thank You" for allowing me this opportunity to help you in the sale of your home.

- And I encourage you to interview the Realtor who has provided this FREE REPORT.

You can rest certain this Realtor possesses the skills needed when selling a home.