



The Mortgage Centre

We work for **you**, not the lenders.

COMMON MISTAKES TO AVOID WHEN SELLING YOUR HOME

Thinking of selling your home? Don't let avoidable mistakes cut into your profits. Since most people don't sell homes for a living the right real estate agent is a vital piece in the selling puzzle. But ultimately your home is your investment so don't let these common mistakes diminish your profits!

- 1. Watch the market!** - Timing really is everything. If the current housing market is 'hot' you stand a better chance of selling your home at the price you want. However, chances are you will be buying in the same market which means you will have to respond quickly to offers and compete aggressively to find your next house. On the other hand, if the current housing market is weak you stand to lose a significant percentage of what you have paid into your home. To get a decent price you may have to spend money to make improvements to your property or offer incentives to compete with other homes on the market. Take advantage of the cyclical nature of the real estate market and if you can, stay put until the market improves.
- 2. Don't overprice!** - Even 5% over market value can discourage buyers. Your selling price is determined by the current market and not by an appraisal or what you hope to gain from the deal. If your house is not priced competitively for the current market, people looking in your price range will reject your house in favor of other, larger homes for the same price. In addition, the people who should be looking at your house will not view it because it will be outside their budget. Special Note: If circumstances dictate that you must ask more than your realtor and the market says is the optimum price for your home re-evaluate your decision to sell at this time. If possible you should stay put until the market improves or your property appreciates.
- 3. Don't "test" the market!** - If you insist on pricing your home higher than the existing market trend with the idea that you can always lower the price you may be sabotaging your own sale. Just asking \$2,000 or \$3,000 more than market value can mean the difference between selling quickly at a good price and delaying the sale. Keep in mind that leaving your house on the market for a prolonged period can result in additional expenses like carrying costs and upkeep. Ask your realtor how much bargaining room you should leave in your price.
- 4. Don't become a "stale listing"!** - The longer your home is on the market the less likely you are to get a full price offer. If a month goes by with no serious offers, do something! Review your price, offer incentives or make some improvements and repairs. Once you've made changes, hold an Open House to announce what you've done to improve the property.
- 5. Don't hire Aunt Agatha to sell your home!** - Hiring a relative is one of the most common and serious errors committed by home sellers. Making this mistake could lead to a much slower sale at a significantly lower price. Selling your home is one of the most important financial transactions you will undertake. Having a professional realtor in your corner can make all the difference in getting the price you want, fast.
- 6. Don't get locked into a contract with your realtor** - Chances are you will be perfectly happy with the efforts of your realtor on your behalf, however circumstances can change. Protect yourself by getting a "guarantee of performance" clause with a right to cancel your contract with your realtor if you are not satisfied. You must be able to work together as a team to get the best price for your home in the shortest amount of time.
- 7. Don't Lie!** - Tell the truth! It's natural to be optimistic about your home but it doesn't pay to deliberately misrepresent it. While most sellers wouldn't commit an outrageous misrepresentation, there is a tendency to distort square footage, the quality of decks and porches, and the state of unfinished basements. Remember that a home's total square footage should only account for heated living spaces. When you misrepresent your home, you set people up for disappointment and once that happens, it's extremely difficult to recapture their interest.
- 8. Don't scare off buyers!** - Maximize your "Curb Appeal"! You have to get buyers in the door because you can't sell to someone who isn't there! A well-kept yard free of clutter will get them out of the car and on your doorstep. Conversely an unkempt yard will put off a prospective buyer before they even get through your door. Improve the view of your house from the street by sprucing up shrubs, shutters, windows, the front door and even the mailbox. Place potted plants on the front step, hang a wreath on the door and install brass outdoor lighting fixtures. Do whatever it takes to enhance your home's "buy me" look. And never underestimate the appeal of fresh flowers and a mowed lawn.



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- 9. Never show a dirty house!** - This is your only chance to “Show Case” your home! Your responsibility doesn’t end once you have a prospective buyer in the door. So make sure to CLEAN YOUR HOUSE! Prospective buyers are looking for a home and they must be able to picture themselves in yours. If you think about it, nobody pictures themselves in a smelly home with a dirty bathroom, greasy kitchen or messy bedrooms. Think military, think white glove, think spotless!
- 10. How clean is your kitchen?** - This is one of the three most evaluated places in your home. Even if the appliances aren’t part of the deal, some prospective buyers will judge your whole house by the cleanliness of your stove or refrigerator. Keep your fridge and kitchen counters spotless, clear and uncluttered. A clean kitchen will go a long way in your favor.
- 11. Don’t forget your garage!** - The ideal garage should store cars and an orderly array of garden tools, but nothing more! Throw out your junk to show that there’s lots of space for theirs.
- 12. Or your master bedroom!** - This rounds out the three most inspected rooms in your home. Take the time to arrange the furniture to create a feeling of spaciousness. Make sure it’s clean and pleasant smelling, and don’t forget to make the en suite bathroom sparkle, prospective Buyers will be checking.
- 13. Don’t be a pack rat!** - Clean out your closets, your spare room and yes, even your basement. These “visitors” to your home will open all your closet doors and look in every nook and cranny. Be ruthless and dump the junk. Think of how good it will feel to start fresh in your new home!
- 14. Is your home dreary?** - If your home seems more like a dungeon cell than a bright, modern home you may want to consider recruiting the two stars of home improvement, paint and carpet. Probably the best dollar-for-dollar investment for selling your home fast is fresh paint. Neutral colors are best. Follow up your painting with new carpeting to replace for poor condition or outdated color – these two improvements can make a huge difference.
- 15. Have you made necessary repairs?** - It’s a fact; repairs can increase the value of your home while selling “as is” can cost you more than the repairs; even minor improvements will yield as much as three to five times the repair cost at the time of sale. Your real estate agent will be able to point out which repairs could significantly increase the value of your home. Even seemingly small fix up jobs can have an impact on appeal and price.
- 16. Don’t “over-improve” your home!** - Keep in mind that if you do extensive remodeling you run the risk of “over improving” your home -yes, there is such a thing. You might not be able to recoup your investment when you sell. If your improvements push your home’s value to more than 20% over the average neighboring home value, don’t expect to recoup the entire cost. On the other hand, major projects, like replacing a roof or deck, should be upgraded if needed.
- 17. Don’t crowd them out!** - Keep company to a minimum when your house is being shown. Don’t have crowds of visitors when someone is looking at your home; prospective buyers will feel like intruders if they enter a room filled with people.
- 18. Don’t assume everybody likes pets!** - Keep your pets out of the way, no matter how cute they are. Not everybody likes pets and some people are even allergic to them. Pets also raise suspicion of potential carpet stains and unexplained odors.
- 19. Don’t interfere when your home is being shown!** - Let your realtor do their job. Buying a home is an emotional decision; people like to “try on” a house and see if it’s comfortable for them. This is difficult to do if you follow them around pointing out every improvement that you made. Keep a low profile when your home is being shown. The realtor can do a better job of selling your home if you stay in the background. Plan to be away, but reachable, during Open House.
- 20. Deep six the non-stop commentary!** - Let the prospective buyer discover things for themselves. If you’re worried they may miss one of the amenities of your home, a tasteful sign or feature sheet works better than following them around with a running commentary.



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- 21. Don't waste your time with "Unqualified Buyers"!** - You don't need to worry about this if you have listed your home with a reputable realtor. Realtors will only bring qualified buyers, those who are ready, willing, and able to buy your house. An agent will determine how much a buyer can really spend for a house, the available funds for a down payment, how good a Buyer's credit is and about a dozen other similar questions. If you only show your home to qualified buyers the number may be fewer but the potential to sell will be much higher.
- 22. Are you flexible?** - Cash is not always the most advantageous transaction. Income level, tax benefits and current legislation are all critical factors when considering purchase terms. Check with your tax advisor to see if a straight sale is your best option. You should also decide whether you are willing, and able, to carry financing or offer a "Lease with option to buy" arrangement. This would increase the pool of potential buyers you have to choose from.
- 23. Don't underestimate the complexity of real estate law!** - The contract for the sale and purchase of a home is a legally binding document. Real estate law is extensive and complex and if you don't have a legal background or real estate experience you should leave this to the experts. You can lose a sale or pay thousands in repairs or remedies for title defects because of an improperly written contract. You need to know which repairs and closing costs are your responsibility. You also need to know whether the property can legally be sold "as is" and how deed restrictions and local zoning will affect the transaction. You or your realtor must remedy any defects in your title and determine if your property is in conflict with local restrictions, to avoid unexpected costs.
- 24. Are you helping or hindering?** - You can make it easier for your realtor to sell your house. For instance, most potential buyers call during business hours. Arrange to be available to take calls from your realtor during the day, it could make the difference between selling your home or not.
- 25. There's nobody home!** - Make your home accessible | The more accessible your home is the more it will be shown and that gives you better odds of finding a buyer willing to pay top dollar. A lock box is favored because it offers realtors unlimited access, within reason, to show your home whereas 'appointment only' arrangements are more restrictive. In today's competitive market buyers who can't see a home at their convenience will go on to view and purchase, other homes. You'll never know if the one that couldn't get a viewing was the one that got away.
- 26. Don't just sit there, do something!** - There are lots of ways to sell your home besides posting a "For Sale" sign or an ad in the paper. Request 'round the clock and online advertising. Take time to discuss all options with your realtor, and then be prepared to participate in marketing your home. Remember to let your realtor know if other realtors have shown your home - they should leave their business card which will allow your realtor to follow up with any leads.
- 27. Be positive!** - Approach negotiations in a positive frame of mind, instead of an adversary of the buyer. After all, you both want the same thing - a sale. So remember to reply immediately to an offer because when buyers make an offer they are in the mood to buy and moods can change. You don't want to lose a sale because of a stalled reply. Also remember to participate when asked but leave most of the discussion of price, terms, possession and other conditions up to your agent. They'll know how to best represent your interests.

In Conclusion:

There are lots of things you can do to help with the sale of your new home. Some of the suggestions mentioned alone may seem like common sense, and other may be new to you but all will contribute to a fast sale at a fair price. What more could you ask for?