

The Nitty Gritty of Home Selling

How to Determine If It's a Buyers' or Sellers' Market

When you want to sell your house, it might surprise you to learn that there are times when putting it on the market is going to result in a quick sale. But another time will lead to your home sitting on the market for months without an offer.

Most homeowners don't understand how they can tell if it's a buyers' or sellers' market. This is something that an experienced real estate agent can tell you by showing you the most recent data on what's going on in your area.

You have to keep in mind that the data for one particular city or town may not mirror what's going on in another. You can have a buyers' market in one city in a state and a sellers' market in another city in the exact same state.

The difference will come into play when a property can or can't be moved. This is something that your agent will have access to as well. But it is something that a homeowner can discover on his own.

Selling a house works just like any business does. It's based on supply and demand. When you have a lower inventory than you have customers, the demand is high.

So that means that it's a sellers' market. This market can also change even within the same town or city. One neighborhood might be a sellers' market while a neighborhood a mile down the road will be a buyers' market.

Other things can sway the type of market it is would be issues such as the amenities that the area offers. If it has what people are looking for, that can also alter the market.

Some things that change a market are which school district the home is in, proximity to places of convenience, and desirability of the area. A market can also be influenced by the selling price of the house.

Homes in a certain price range may be more in demand than other houses are. If a buyer has a lot of homes to choose from in the area that he wants to be in, then it's a buyers' market.

If there are few homes in that area, then it's a sellers' market. You can figure it out by asking your agent or you can go online and look at the number of homes that are for sale in your area.

Then check to see how many of them have a sale pending. When you divide the listed properties by the contracted ones, that will tell you the sales rate or the number of inventory that's moving versus the amount on hand. If it takes homes less than six months to sell, that's usually a sellers' market.

Including Your Home in MLS

It's a tough job trying to sell a house. Professionals have access to certain tools and it used to be that homeowners who wanted to sell their home without an agent couldn't have access to these tools.

But those times have changed. Now, anyone can list their home on the multiple listing service (MLS) so that their home can be seen by others. Putting your home in the online database increases your exposure because it gets in front of people who are looking to buy.

It's sometimes more effective than an ad, and it's cheaper than paying the fees to a real estate agent. An MLS is basically a method of swapping information among other real estate agents so that more homes can get in front of possible buyers.

You can tap into that huge marketplace on your own. If you choose to do it by yourself, it means that you are responsible for all the work. When an agent does it, he or she creates the listing and all the important information that goes along with it.

As a FSBO property, you'll need to do that. And you have to know what to put into a listing or it's not going to stand out. Your listing has to have all the features of the home.

You'll need to have the type of residence - such as whether it's a townhouse, or a single-family home. You'll also need to list when the house was built. The type of heating and air conditioning system the home has should be included.

If it's an apartment that you're selling, you'll need to put in how many parking spaces are available. You'll also need to list how much acreage comes with the home.

You have to list the number of bedrooms the home has. Some people explain whether these are upstairs or downstairs if the listing is for a two-story home. If the place has a unique master bath, then you'll want to put that.

List the number of bathrooms the home has and any special features with those - such as a garden tub. If the house has tray ceilings or extra tall ceilings, mention that.

Talk about the appliances and then list the total floor space the house has. Mention what kind of flooring it is - like whether it's carpet, tile or hardwood. If there's a fireplace, put that in the listing.

Point out special rooms like a sun room. List ceiling fans, or any security features such as an alarm system, too. Cover all the amenities such as if it has a pool with the house or if it's in a subdivision.

List any HOA fees. Point out the location of nearby schools, the tax history of the house and the listing price. Once you have all that ready, you can list your home on an MLS site by paying a flat listing fee.

Getting a Comparative Market Analysis to Price Your Home

If you have a real estate agent to sell your home, he'll do a comparative market analysis for your home. While this might seem pretty involved and something that only agents can do, that's not true.

You can do an analysis yourself. A comparative market analysis is simply a collection of information about your house. It takes into consideration all the selling points - such as the square footage of your house, the number of bedrooms, bathrooms, and where the home is located.

Then it looks at other homes that are like yours. This analysis looks at which homes sold and how long they were on the market. The purpose of having an analysis done is so that you can get an idea of the marketability of your home.

You'll see how well other homes like yours have fared. In this analysis, you'll see what the owner asked as the selling price of the home and what it actually sold for.

This lets you see what you can price your own home at and what you'll most likely end up getting. You can get your own analysis from an online site that offers the information.

While there are plenty of sites that will charge you for this information, it is available without cost. If you want a more in depth one that will do some of the work for you, then you can use a site that will compare your home to others that sold in the area where you're located.

Be careful using an analysis on a site that lists homes for sale because these are not always accurate. You can look at what the appraisal was on your home when you originally bought it to get a starting ballpark figure.

You can also have your home appraised as it currently is. Getting an analysis on your home can improve your ability to sell it because you'll know what the market is like.

You'll know how to price your home to get the most bids. You'll be able to price more competitively with an analysis than without one. You can

search other places related to homes to help you get a good analysis as well.

You can check with the FHA's data on homes as well as check the tax records for your area. You can do this online and it's a free resource. Just go to your county's website.

You want to do an analysis because it gives you more knowledge when it comes to selling your home. A seller who knows the true value of his home can end up making more money when he puts it on the market.

Negotiating Tactics to Get the Best Price for Your Home

Selling a home doesn't have to be a difficult situation. If you have a real estate agent, she'll handle all the negotiating tactics and act as a buffer between seller and buyer.

However, you can successfully negotiate the sale of your own home by knowing a few tips ahead of time. Make sure that you have a strategy. This lets you plan in advance for the scenarios that might crop up.

You'll be ready to handle anything or discuss anything that might arise during the negotiation process. You have to start by knowing what it is that you want out of your home when it comes to the price.

By knowing your bottom line for profits, this allows you to keep your mind on your goal rather than getting sidetracked by all the different tactics buyers will sometimes use.

Be prepared to defend your position. They may want an explanation for why you've set your price at the amount that it's at - or to know why you're not offering certain concessions.

You can defend your position by doing your research ahead of time. Know what the market is doing. Understand if it's a buyers' or a sellers' market. Have your home price set so that it fits the market and the neighborhood that you're living in.

If you're selling a home for \$200,000 in a neighborhood where the highest home value is \$150,000, that's a poor strategy. You need to do your homework so that you'll know how to correctly value your home.

You can do a market analysis, but you can also get the home appraised before the negotiations start. That way, you have proof on hand with what your home is worth and anything that needs to be taken care of first.

You might have a fixed price in mind when it comes to selling your home - but don't be afraid to listen to the other side. By being willing to pay attention, you might end up with an even better deal.

Know ahead of time that it's rare for both parties in a home sale to get exactly what it is they planned to get. The negotiation process works as a give and take and both sides need to be willing to make concessions.

Don't try to hide the flaws in your home. A buyer knows that every home has flaws. Point yours out and either offer to fix those as part of the deal or take money off the asking price in exchange for him assuming the needed repairs once he's the homeowner.

The first offer that you get might be a lot less than you're expecting. This is simply the art of negotiation. Just make a counteroffer. Keep calm and keep your eyes on what it is that you want out of the negotiation and you should be able to get through it easily.

How to Use a Contingency Clause to Protect Your Interests

If you're working with a professional real estate agent, she's going to know what contingencies to put in the contract to make sure you get protected as the seller. There are fairly common contingencies that you can make sure are included in a contract if you're selling your home on your own without an agent.

You need to make sure that you protect your ability to stay in the home with a remain in clause often called the seller's right to stay. This gives you a week to thirty days to stay in your house in the event that something's going wrong with the house you're buying or where you're going to stay.

If you do this, then you'll have to pay the new buyer rent for the days that you stay in the home. This should be covered in the contract. You'll have to pay all the costs associated with staying in your home after it's sold.

Because making home repairs are often contingencies set in real estate contracts, you can expect that you'll be making some of those. However, you can put in the contract that you're lowering the purchase price instead of repairing the items and that's one of your contingencies.

You need to be very clear on the bottom line that you're going to pay out if it's in the contingencies that you're going to pay for all the repairs. Because you might be thinking the cost of putting on a new roof is around \$5,000 while the potential owner is expecting you to pay for a higher-grade roof and the cost is closer to \$8,000.

If you don't have it specifically spelled out with the amount you're willing to pay (and no more) for these repairs, then the buyer could legally force you to spend more.

You want to make sure that the contingency states all that you're willing to pay and that anything that's over that amount is the buyer's responsibility. Never put in there that you'll make repairs "to the buyer's satisfaction" because you're giving them the right to continually force you to make a repeated repair until they deem it's done.

Don't give a buyer that kind of control. One of your contingencies should be the right to void the contract. If the potential buyer has agreed to certain terms and then isn't following through, you want to be able to walk away from the deal without repercussions.

You may want to have a multiple offer clause in your contingencies as well. This allows you to accept more than one counter offer and gives you the freedom to pick which buyer gets the house.

What this does for you is gives you the right to up the asking price of your home if you end up in a bidding war. Make sure that you have a contingency in the contract for the potential buyer's financing.

Legal Forms You May Need to Sell Your House

If you don't have a real estate agent handling all the sale documents for you, then you'll need to keep track of what you need. You'll have to start with a residential sales contract.

This is what will spell out the deal between you and whoever's buying your house. It has to contain certain key pieces of information like the sale price along with all the contingencies.

All the terms of the finances need to be in there along with the information regarding the closing costs. The details of the home inspection need to be in that contract as well as any information about what appliances you're leaving in the home.

You'll need to choose your closing date and have that in the contract, too. An average is about 30 days. In that contract, cover all the occupancy agreements between the parties.

This should clearly state when you'll be leaving. If you're going to stay past the closing, then what you're going to pay for should be in the contract. You need to have a property condition as well as a lead paint disclosure.

A property disclosure is what you use to mention anything in the home that's in need of repair or any issues. You want to be honest and disclose what you know because it's against the law not to.

The year that your home was built determines the type of form you'll have to use to disclose whether or not there is lead paint in the home. You can get this information from the EPA.

If your house was built before 1978, then you'll have to follow the federal law guidelines for that including making sure the sale contract specifically states that the home has lead and you've given the buyer all the required information such as the buyer's rights.

There are certain addendums you want with a contract when you're selling by owner. One of these is the third-party financing. This is what gives

you the ability to break the contract if the potential buyer's financing falls through.

If a buyer is assuming the mortgage, then you need a loan assumption addendum. In this, you'll need to make sure that you cover who's going to pay the loan assumption fee.

There can also be processing and closing fees. If you're providing the financing, then you need a seller financing addendum. This document covers things like the credit terms, taxes, payments, late payments, title insurance and what's due.

You may need a promissory note if helping a buyer with the financing. This is basically the same thing as an IOU. The buyer is agreeing to repay the loan in a certain number of payments known as the terms.

The note should have on it what will happen if the buyer doesn't stick to these repayment terms. A promissory note can be refinanced by the buyer at a later date by using a bank or mortgage lender.

You may need to use a notice of termination. This is a form that's used when you need to terminate the sale. This can happen for any number of reasons but it has to be a legitimate one.

If the sale was contingent upon the buyer's financing and it fell through, it can be used that way. Or it can be used in the event the settlement date can't be kept or if contingencies weren't met.

You don't have to send a notice of termination if the situation is covered by one of the automatic terminations spelled out in the contract. A quitclaim deed is generally used with people that you know where you're simply passing the property over to someone else.

When you use a quitclaim deed, you're not usually making or taking any money in exchange. However, a quitclaim deed can also be used if there's a problem with the title of the home.

For instance, if your name is listed on the house as John A. Doe and you're actually John B. Doe, then you'd use a quitclaim to correct that. A problem with the deed usually happens when the deed is filed.

Another reason for issuing a quitclaim is if someone else has a stake in the property because something wasn't correct in the filing of the title - such as a couple divorcing and the spouse failing to give a quitclaim relinquishing his or her interest in the home.

Understanding Escrow and Earnest Money

A real estate agent understands the importance of an escrow and earnest money. If you're selling your home by owner, you need to know what these are and how they apply to you.

Earnest money is just like it sounds. It means that the potential buyer is earnest in his desire to buy your home. While you don't necessarily have to have earnest money when you're selling your home by owner, it's a good idea.

It helps to weed out those who waste your time from those who are truly looking to buy. If you and the potential buyer are able to iron out all the issues during the negotiation, that earnest money is then considered part of the cost of buying the home.

It gets counted as part of the down payment if one is required or it goes toward paying the closing costs. Keep in mind that earnest money does not always lock a potential buyer in.

If, during the home negotiation, an issue arises with the house, the buyer has a right to get his money back. If you don't know what to charge for the amount of earnest money, you can look at what the laws are in your state regarding that if there are any.

As the usual rule of thumb, at least 1% of the home's value should be offered. Some real estate deals though have set amounts in place as the earnest money such as \$1,000 to \$2,000.

The supply and demand of the market can also impact the amount of earnest money required. You can't spend the earnest money that you receive. You have to place that money in an escrow account until the home sale is finalized.

Escrow is basically the same thing as earnest money. It just means that it's where the earnest money is. Escrow funds are kept by the person dictated by the laws of your state.

In some cases, it's going to be the title company representative. It might be the company handling the closing or it could be a real estate attorney. This is known as third party handling.

The purpose of this is to make sure that the transaction is completed and that the funds aren't dispersed until it is. It protects both the seller and the buyer until all the documents are signed and the home changes ownership.

It's a way of making sure that all the agreements or contingencies between the parties were met. If, at the last moment, the buyer just decides he doesn't want the house even though all his conditions or contingencies were met and breaks the deal, then the seller can be entitled to keep the escrow

Using the Internet to Market Your Home for Sale

When selling your home, you might think that you need a real estate agent to do it for you. If you're not the type of person who is willing to market your home, then that's probably true - because you will need to advertise that it's for sale.

But if you're okay with handling this side of selling a home, then you can do it on your own. There's a lot of power in using the Internet for marketing and by tapping into that, you can get a lot of exposure for your home.

It allows you to reach hundreds of buyers rather than just a handful. You can list your home on sites that allow home selling ads and the cost is very minimal. But you don't want to just create a few ads and let it go at that.

It's a competitive marketplace and you need to make sure your home gets noticed. You want to market on several platforms - including ones that real estate agents use.

For example, you can use sites that specifically allow listings from FSBO. Some search engines also have their own real estate listing pages. You can use online classifieds on various selling sites as well as in the online versions of newspapers.

Something that can be helpful is to set up a page online specifically dedicated to selling your house. You can use WordPress to create a page or buy a vanity URL.

You want to use certain keywords to make your home stand out. For example, if you're in a desirable neighborhood, then you would use keywords associated with that as well as other words people use when they search - such as FSBO, house for sale, good schools, low property tax and other words linked with selling a home.

If you create a website for selling your home, you'll want to make sure that you showcase all your home's features. Use quality photography to get good pictures of the front of your home.

Pictures are instrumental in helping potential buyers want to schedule a showing. Take close up photos of the house and the yard in good lighting. Use photos of the inside of the home as well.

Make sure the windows let in good lighting so that everything looks clean, bright and welcoming. Stage the interior of the home before you take these photographs.

Create a slideshow for the website or use a virtual tour. Some established home selling sites will allow you to add these tools. You may already have some social media platforms and while you can market your home on those, you can create social media sites specifically designed to sell your house.

You can use Pinterest to pin interior pictures of your home as well as points of interest in the surrounding area. You can use Facebook, Twitter, Instagram and YouTube and dedicate all of them to selling your home.

On these platforms, you can interact with buyers, list all the home's features and have a section dedicated to answering questions. You can have a list of FAQs for possible buyers.

Create a blog for the home and blog about what's great about living in that house and neighborhood. What this does is helps the buyer see that your home isn't just one of several hundred on the market, but a place that's loved and that they'll love, too.



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