



Team Triad

RE/MAX 1st Choice
(336) 387-2343 (direct)
(336) 387-2223 (fax)
TeamTriad@TeamTriad.com
www.TeamTriad.com

The Seven Most Common Mistakes Sellers Make

And How You Can Avoid Them

As real estate professionals we work with many buyers and sellers every year. And we often hear horror stories from people who made a seemingly small mistake in their past real estate transactions that ended up costing them a lot of aggravation and a lot of money. We don't want anyone to make these mistakes, so as Realtors we work hard for our clients to ensure that their real estate transactions go smoothly. For those who are not our clients yet, we prepared this special report that outlines the seven most common and most expensive mistakes. We hope you will enjoy it and find it useful.

1.

The Wrong Price

A surefire way to get **less** than the fair market value for your home is to **overprice** it in the beginning. It sounds contradictory, but it is true. There are several reasons for this. First, if your home is more expensive than the similar homes in the neighborhood, fewer buyers will choose to even look at it. Why would they waste their time? And the buyers that do decide to look at your home will likely use it for comparison, to justify their decision to purchase a different home. "See? A similar home but a lot more expensive. We should get the one we saw yesterday – it's a bargain compared to this one." Second, the longer your home remains unsold, the less interest it will generate among the buyers. Eventually, when it's been on the market longer than the other similar homes, buyers will start to think that there is something wrong with it. And then you are faced with the real possibility of being forced to sell it for less than its real value. So make sure that your home is priced correctly from the beginning. This will save you time, aggravation, and money.

Overpricing is not the only pitfall that sellers fall into, some even under-price their homes. How do you know your home's real value? By getting a professional Comparative Market Analysis (CMA). A CMA will show you what similar homes in your area are selling for, and how long it takes to sell them. You will be able to see the range of values that your home falls into, and then determine an accurate asking price. We offer CMAs for the homeowners in our area free of charge. Just give us a call or send us an e-mail, and we will prepare one for you at no cost and no obligation.

2.

Mistaking Lookers For Buyers

Mistaking lookers for buyers is an error commonly made by those homeowners who try to sell their home themselves without a Realtor's help. For-Sale-by-Owners (FSBO's) actually do get more activity than homes listed by Realtors. This is mostly because a FSBO is often ready to show his home to anyone

who expresses interest in it. And many times the unsuspecting seller will entertain offers from “buyers” who are not even qualified to purchase the home. But a good Realtor will only show your home to **qualified** buyers. And those are the people that are willing, able and **ready** to make the purchase. A qualified buyer is **actively** looking to purchase a home, **has** the down payment money ready, and most importantly has already been **pre-approved** for the loan by their lender. When considering an offer from someone it is imperative that you verify that your buyer is indeed willing, able and ready to make the purchase. This will involve confirming with the lender your buyer’s approval status, making sure that the buyer’s employment, credit history and down payment money have all been confirmed by the lender. A good Realtor can certainly help you with this.

3. Failing to Prepare The Home For Sale

Who will be your toughest competition when you put your home on the market? Very likely – the new construction. The new homes are clean, bright, uncluttered and, well, new. Your potential buyers have probably visited at least one new homes site, and their expectations are now higher. Make sure your home is also clean, neat, uncluttered, and bright. If there are any cosmetic blemishes, repair them. A new coat of paint does wonders for many homes. A clean, well-groomed yard is a must. Same goes for a clean, uncluttered garage. Anything that you can reasonably do to make your home look as new as possible is worth doing. A new-looking home will attract more buyers and will sell faster for top dollar.

Knowing how to properly stage your home for sale is of utmost importance if you want to get the highest price. But noticing all the important details about your own home can sometimes be difficult. It helps to have a neutral third party take a look and suggest any needed aesthetic changes. That is why, as a free service to the homeowners in our area, we offer a free consultation on how to prepare your home for buyers. Simply give us a call or send us an e-mail, and we will be glad to take a look at your home and make the necessary recommendations. There is no cost or obligation for this service, and there is never any sales pressure.

4. Not Taking The First Offer Seriously

Sometimes it takes a little time to get that first offer, and sometimes it happens quickly. And when it happens quickly, some sellers don’t take it seriously. They think that it is just the first one of many offers to come. Perhaps another buyer will come soon after and offer more? Perhaps there will be many offers to choose from? While that may occasionally be the case, more often than not that first offer turns out to be the best one. Any experienced real estate agent will tell you that the best chance of getting a high price for a home is when the home is new on the market. As time goes by, the initial interest of buyers wears off, and the home attracts less and less activity. Inevitably, the longer a home remains unsold, the less buyers are willing to pay for it. Many sellers who declined an early offer, hoping that a better one would follow soon, ended up selling their home for less than that first offer. And needless to say, they regretted it.

5. Not Knowing Your Rights And Obligations

It should go without saying that selling a home is a complex process. The sales contract itself contains many clauses that you have to watch for, and many areas that can create a problem if everything is not done right. When will the property inspection occur, what happens after it, when will the appraisal and survey be completed, when is the final loan approval due, etc. Then there are the required disclosures. If your home was built prior to 1978 you have to inform the buyer **in writing** that it may contain lead-based paint, and you also have to provide the buyer with the EPA safety booklet about lead. And what about radon gas? Any prior damage to home? Any defects that you might or might not be aware of? A good Realtor, other than finding a buyer for your home, also acts as your guide through the maze of laws and regulations, and becomes indispensable in this part of the sales process. Your agent will be able to help you with all the paperwork, and explain all the steps involved in the process. Making sure that everything is done right and that you have fulfilled your obligations under the law is a must if you want to avoid headaches, unexpected costs, and legal trouble.

6. Limiting The Home's Exposure

This mistake is often made by inexperienced real estate agents and for-sale-by-owners. Quick: what are the two best ways to market your home? If you answered newspaper ads and the open houses, you guessed wrong. But don't despair, most people think that. The truth is that the newspaper ads are pretty ineffective at attracting **qualified** buyers, and the open houses invite more lookers than buyers. Any seasoned Realtor will tell you that there is actually no one best way to attract qualified buyers. Instead, an experienced agent will cast a wide net utilizing several marketing strategies. One of those strategies is listing the home in the Multiple Listing Service (MLS). This is the database of all homes offered for sale by all Realtors in the area, and is accessible only to Realtors. The agents with qualified buyers look through the MLS first to find a home for their clients. Advertising on the Internet is another effective way to give your home a wide exposure, since more and more buyers these days start their search there. And a good Realtor will also utilize brochures, flyers, newsletters, and network with other agents to find the buyer for your home. The important thing is to not rely on only one or two ways to market your home, but instead to give it a wide exposure through many different advertising channels.

7. Choosing The Wrong Realtor

It's a funny thing that in the real estate business a successful and experienced agent costs about the same as a part-timer with only a few transactions under his belt. And when it comes to selling your home, probably the most expensive thing you own, what kind of an agent do you want? Someone who knows how to attract qualified buyers. Someone who knows how to negotiate to get you the best price. Someone knowledgeable, who can guide you through the complexities of contracts and paperwork. Someone who will care about your transaction as his or her own. To find such an agent you may decide to interview several Realtors and quiz them a little bit. Is the agent a part-timer or committed to the real estate business full time? What kind of a track record does he or she have? Has the agent been committed

to his or her professional development by earning any professional designations, such as GRI (Graduate, Realtor Institute)? Can the agent provide you with references from happy past clients? Does the agent have a specific marketing plan on how to sell your home quickly and for top dollar? And there are a couple of questions you have to answer yourself: Do I feel comfortable working with this agent? Is this someone that will care about my transaction as if it were his or her own? Take the time to learn more about the agent you are considering. Since you are the one paying more the commission, make sure that the Realtor you choose is the right one for you.



NEED HELP?

If you have questions concerning the sale of your home, we are ready to help. As Realtors specializing in your area we have helped many buyers and sellers with their real estate transactions. We offer knowledgeable advice, friendly and professional service, and a caring attitude. There is no cost or obligation for answering your questions, and there is never any sales pressure. Feel free to contact us by phone or e-mail!

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