



SELLER'S
GUIDE



"HOME IS THE NICEST WORD THERE IS."

—Laura Ingalls Wilder

Deciding to sell your home is a big decision. After all, home is where the heart is. It's where people enjoy their families, take refuge and commune with friends. People are proud of their homes and all the renovations they've made to them, from the new tile in the basement bathroom to the garden in the backyard.

At Weichert, Realtors® | The Collective, we have proven tools to help you work through some of the common challenges many sellers face while trying to sell their home. It's our job to help you get top dollar for your home while ensuring everything goes smoothly. To that end, this guide contains information to help you put together a solid selling plan so you avoid any missteps and the headaches that go with them.

GET CRYSTAL CLEAR. Know why you are selling your home. People sell their homes for a variety of reasons. From job to family dynamic changes, people's lives evolve and that often affects where they live. In addition, while your current home has served you well, you may just decide it's time for an upgrade or something different. Perhaps the home you want to sell has been an investment property and it's time to put that equity towards something else.

If you decide it's time to sell, write down your expectations and goals. Set a time frame in which you'd like to sell your home as well as the profit you're hoping to make. With the help of one of our realtors, you can create a rock-solid plan to obtain your objectives.

GETTING YOUR HOME READY. Before you put your home on the market, you'll want it to be as appealing as possible to potential buyers. You'll find there are certain criteria they're all looking for. From the price to the curb appeal, buyers are savvy and often know the ins and outs of your market. So before you list your home, make sure it has buyers saying "that's the one." Below, you'll find the tools to help you get there.

The price has to be right. Of course you want to gain top dollar for your home, whether you'll be investing your equity in another home or will need it for other financial plans. However, if the ultimate goal is to sell your home, then the single most important thing you must get right from the onset is the price.

To do that you'll want to take stock of what your house has to offer. What condition is it in? Do you have a large backyard? Is it near a busy street or close to schools? You'll also want to consider the market. What are homes in your area priced at and how long have they been on the market? Also, how many homes similar to yours are for sale in your area?

To help you answer most of those questions, your realtor at The Collective will search the market for similar homes to yours and compile a thorough and accurate Comparative Market Analysis of your home. Your realtor studies the market every day and is equipped to help you determine a price that will sell your home at its maximum market value.

In certain situations, you may also want to get a pre-appraisal (they usually cost between \$400 and \$600) to determine the value of your home. Because banks will not give borrowers a loan that exceeds the appraised value, this can be useful for setting the right price and also avoiding any problems that could delay or prevent a successful closing.

It's important to not overprice your home. Homes that are priced too high over market value take longer to sell and, if traffic is low, require a price reduction in order to increase buyer interest.

QUESTIONS TO ASK YOURSELF BEFORE YOU DECIDE TO SELL:

- Do you know where you want to move to?
- Why are you moving?
- How quickly do you need to move?
- What would happen if your home doesn't sell?
- How would you rate your home on a scale of one to 10?
- What would make it a 10?
- If you're upgrading, have you built enough equity in your current home to buy your next home?
- Is the market favorable for sellers where you live?
- How about for buyers where you want to buy?
- What aspects of your current neighborhood will you miss?

THE CONDITION OF YOUR HOME.

If you haven't sold a home before or it's been a very long time, you might be surprised by the amount of things that will need to be fixed, replaced, cleaned and/or upgraded.

Consider getting a pre-listing inspection to unveil any potential issues with the home. The typical cost is \$500 and it could make a big difference in a successful contract and closing process. By fixing most or all of the repairs before you list your home you're more likely to avoid future inspection issues that could come up with the buyer and it will go a long way to place you in a stronger negotiating position.

In addition to repairs that may come up on your pre-inspection report, here's a "short" list of typical improvements that your realtor will likely advise you to make before you put your home on the market:

- Paint and caulk all exterior woodwork, caulk all butt joints and paint the siding. If your home has any stucco, even hard-coat stucco, have it inspected by a stucco inspector and make any necessary repairs
- Sand and repaint any exterior areas where paint is chipping
- Caulk and seal all windows and door frames
- Clean all the gutters and make sure they are properly aligned so downspouts are flowing freely (this is to avoid flooding), pipe the downspouts ten inches away from your home
- Have the roof checked and make any necessary repairs, caulk all nail holes and open flashings, replace damaged or missing shingles
- Seal all tub joints
- Replace any leaking faucets, address water deposits
- Seal wood flooring and fix any fractured tiles
- Make sure the paint in each room is neutral, repaint any room that isn't
- Fully service the furnace and air conditioning system and keep a written report detailing the condition of both
- Replace any worn outlet covers
- Service and clean fireplace flues
- Have the crawlspace inspected for moisture, mold and rodent activity
- Steam clean tile and carpets (replace carpets if they are stained)
- Replace any seriously worn hardwood floor

ALL THE WORLD'S A STAGE After you've completed all necessary repairs, your home will likely look better than it has in a long time. Maybe the best you've ever seen it. And it should. But why not kick it up a notch by doing a little staging? Prepping your home for showings can range from simply keeping the house as clutter-free as possible (if you're living in it) to fully staging it with furniture arranged by professionals.

PROTECT THE IMPROVEMENTS You may also consider getting a home warranty. The cost is typically between \$400 and \$600 and for a year it will cover any systems and certain appliance repairs, which aren't covered by home insurance. That will give you some peace of mind and also provide you with a bargaining chip during the selling process—buyers will feel more secure buying a home with electrical, plumbing and appliances covered. When you list with The Collective your home is automatically enrolled for a home warranty during the listing.

GET IMPORTANT DOCUMENTS READY Have key information ready for buyers, many of whom have become increasingly sophisticated. Buyers routinely ask sellers for information about the property to aid them in their decision-making process. Relevant documents include surveys, a Seller's Property Disclosure Statement, termite reports and/or termite bonds, information about utility costs and homeowner association fees and dues.

Specifically, the Seller's Property Disclosure Statement is a must. Prepared by the Georgia Association of REALTORS®, this statement discloses any latent or hidden defects of your home that aren't readily apparent from a reasonable inspection. Your realtor can provide you with a copy of the disclosure which should be in writing and incorporated into the purchase and sale contract. Also, if your home was constructed before 1978, you must provide the buyer with a written Lead-Based Paint Disclosure before the contract is signed.

If you have these documents ready to go it will make a buyer's decision-making process easier and faster. Being transparent will give buyers confidence that you have nothing to hide. Ask your realtor if they recommend preparing any other documents with specialized information buyers may request.



QUICK AND EASY STAGING TIPS:

- Remove all family photos and other items to depersonalize the home. This will better allow potential buyers to imagine themselves living there.
- Get rid of clutter.
- Rearrange rooms so each has a useful, distinct purpose.
- Replace dim lighting with bright lights.
- Enhance the curb appeal by cleaning your yard and planting some flowers or shrubs.
- Clear off kitchen and bathroom counters.

MARKET LIKE YOU MEAN IT.

It would be great if, once you put your house on the market, all potential buyers saw a giant arrow pointing towards your house. Instead, your realtor should have a fantastic marketing plan, one that pursues buyers so you're not simply waiting for them. And that's exactly what The Collective's marketing plan is all about.

We have tailored 30/60/90 sales execution plans for the homes we represent, including comprehensive sales and marketing tactics. We go beyond yard signs, brochures and ads. We're aware that 90% of all home buyers (according to research by the National Association of Realtors®) use the Internet to shop for their home. So we go for maximum online exposure for your home locally, nationally and internationally via hundreds of real estate websites.

WE INCORPORATE THE FOLLOWING INTO OUR MARKETING PLAN:

- Professional marketing brochures that highlight the most important features of your house with pictures of key rooms and exterior spaces
- Maximum lead generation and prospecting
- Targeted email blasts
- Well-timed and ongoing open houses
- Direct mail campaigns that include sending "just listed" postcards to neighboring homes
- Access to our buyer pool (we sell more than 65% of our own listings)
- Focused mail campaigns which include sending marketing packages to people we feel may be specifically interested in a property
- Exposure to corporate-relocation professionals
- Regular updates on neighborhood sales activity

THE BIG SHOW. Your house is now on the market and ready for potential buyers to walk through. As simple as it sounds, one of the most important things about your showings is having the property available. That can be tricky if you still live in your home, particularly if you have children or pets, but open houses can help.

If you've picked a great realtor, he or she will already be on top of scheduling your open houses which should be held on the weekends during the day (the more time the home is available the better). And with a great marketing plan, your realtor should advertise your open house(s) using social media, posted signs, mailed brochures and more.

While open houses are great for generating buyer traffic, private showings will still be necessary. Talk to your realtor to discuss how you want to handle them. Be as open as possible for showings while asking for courtesy from buyers' agents about times that are not convenient for you and your family.

In most situations, it's recommended that you allow your realtor to use a lock box. This is a device that holds the key to your front door inside it. It's then attached to a convenient location on your property ideally near the front door to make it easy for the buyer's agent to show your home (after they've talked to your realtor). They will use a secure code to retrieve the key and will replace it after locking the front door. The lock box electronically tracks every entry into your home, which is great for peace of mind and also for the agent who will call the buyers' agents for feedback after they've left.

OTHER THINGS TO KEEP IN MIND DURING SHOWINGS.

Keep your home as clean and bright as possible. Stay on top of clutter, open the blinds and turn on the lights (even during the day).

Let your realtor handle the showings. Many buyers feel uncomfortable if the homeowner is there during the showing. Buyers like the chance to really explore the home, imagine themselves living there and give honest feedback. This can be difficult if the homeowner is present.

Lock up your valuables (jewelry, credit cards, blank checks, etc.) or put them in a secure place outside the home. It's unlikely, but better safe than sorry when it comes to protecting yourself against theft.

WHAT IF PEOPLE AREN'T COMING? If you're low on showings, it likely means that your price is too high. Even if your asking price is near the appraisal value, it means the market is not in your favor. In this case, you'll need to consider dropping the price. When homes stay on the market for too long, potential buyers begin to get wary and wonder if something is wrong with your property.



YOU'VE RECEIVED AN OFFER, NOW WHAT?

It's a thrilling moment when your realtor calls you with the good news: you've just received an offer on your house! It's even more exciting when the offer is a good one. So then: What's the first step?

BE PREPARED TO NEGOTIATE. Your house is amazing—you know that and the buyer knows that. But they likely will still shoot for the best deal they can get, so it's a good idea to expect buyers to ask for concessions or incentives. Over one-third of buyers typically ask sellers to reduce their asking price and nearly one-third ask for assistance with closing costs. In fact, when sellers agree to pay closing costs, more than 75% of them pay up to \$5,000.

Another typical request from buyers is for you to provide a home warranty. As discussed earlier, the warranty protects electrical, plumbing and appliances that aren't protected through home insurance. This is another good reason to purchase a home warranty before you put your home on the market. If you're likely going to have to provide one for the buyer, why not buy one early and protect your home before and during the contract process?

By knowing ahead of time the common concessions buyers typically ask for, you can consider which you'll entertain and which you won't. That will make it much easier to either accept and counter offer or keep looking for a better one. For you, the cleaner the contract and the fewer the contingencies, the better.

If you're receiving multiple offers which are all close to your asking price you may want to choose the contract with the fewest contingencies (for example, a cash offer with no finance or appraisal contingency) even if it's less money.

While it's important to keep in mind that you want to sell your home quickly—the sooner it's off the market the better—you don't want to accept offers that ask for too much. Your agent will be able to guide you if offers get complicated.

CONCESSIONS, BY PERCENTAGE, THAT BUYERS ASK FOR:

- 37% A Reduced Price
- 30% To Pay a Portion of Their Closing Costs
- 28% Purchase a Home Warranty
- 25% Had No Concessions
- 12% Leave Appliances, Furniture, Equipment
- 10% Provide a Repair Allowance
- 9% Consent To Set Closing Date



THE PURCHASE AND SALE AGREEMENT. With your agent's help and advice, you can decide if you want to accept the offer, accept the offer with changes (counter) or reject the offer. The offer will more than likely be written on a Purchase and Sale Agreement. This is the document that creates a valid, enforceable contract between you and the buyer and it will stipulate the price, as well as what will be conveyed with the home, the buyer's financing terms, closing cost, due diligence periods, earnest money, closing and possession dates. Your realtor will help you understand each part of the contract as well as what is expected of both parties to execute the transaction.

When both you and the buyer agree to all the terms of the purchase and sale agreement or the last counter offer, the contract is signed by both parties, dated, and notice is given. This date is called the binding agreement date and makes the contract process official. If the buyer accepted your last counter offer, then it's their responsibility to notify you of the binding agreement date—and vice versa if you accepted the buyer's last offer or counter offer. All time-restricted obligations go into effect starting with the day following the Binding Agreement Date- as day #1 of the buyer's due diligence period.

After accepting an offer, make a list of all the things you and the buyer must do before closing. This may include having your property formally appraised, inspected, surveyed and making the necessary and agreed upon repairs. Rely on your real estate agent to lead this effort and advocate on your behalf with the buyer's agent, inspectors and technicians. Expect to pay for all, some or none of these items as declared in the written contract.

EARNEST MONEY In most cases, buyers are required to offer earnest money (good faith funds) when they enter into a contract. While the earnest money deposit can be for any negotiated amount, in most cases it falls to around 1% of the purchase price. This money is generally held in a trust or escrow account by the buyer's realtor's brokerage firm and is applied towards the purchase price of the home at closing.

SURVIVING THE DUE DILIGENCE PERIOD This could be one of the most challenging parts of the selling process (although if you have done a pre-listing inspection you'll likely feel more secure). In the purchase and sale agreement, a short period of time (in Georgia, between 10 and 14 days) will be allowed for a professional, certified inspector to inspect the house. This is called the due diligence period.

Here's what an inspector will be looking for: code violations, condition of the heating system and central air, the roof, the electrical system, interior plumbing, attic and insulation, windows, floors, ceilings and doors, the foundation and basement—and many other smaller things. Other inspection services are available upon request. Smart buyers hire thorough inspectors understanding that once they take possession of the home, you are no longer responsible for any newly discovered problems.

If the results of the inspection turn up the need for major repairs, the buyer's agent may prepare an amendment to the contract asking you (the seller) to lower the purchase price or fix or pay for some or all of the items in need of repair. You will then have the option of accepting the lower price, making the repairs, contributing money towards the repairs, or simply doing nothing. Whatever the outcome, it's important to keep in mind the buyer still has the right to terminate during their due diligence period if they are not satisfied with the outcome of the negotiations. Your Weichert Realtor can help you determine the best solution for your situation.

APPRAISALS The buyer's lender will generally have 21 days to have your home appraised. Lenders will not give buyers a loan for more than the appraised price of the home, which could be less than the agreed upon purchase price. That's because a mortgage is a collateralized loan, so if the buyer is unable to make their mortgage payments, the lender takes the home and uses it to pay the loan. For this reason, they want to make sure the amount they lend the buyer is as close to the value, or less, of the home as possible.

If the house appraisal is too low, the buyer will need to submit an amendment to reduce the sale price to the seller or the buyer will have to put more money down to make up the difference.

Fortunately, there are some things you can do to help avoid a bad appraisal. It turns out most appraisers welcome input from your realtor and he or she should prepare

a thorough package of information about your home to give to the inspector. That should include data on comparable homes and any improvements you've made that increase the value of your home. Appraisers recognize that your realtor will be more familiar with other homes in your area. After they appraise your house and go through the comparables, many times they'll call your realtor if something is off to see if they can get more information.

Despite all the best efforts of the agents involved, sometimes an appraisal will come in low.

FINANCE & CONTINGENCIES One of the first things your buyer will need to do is secure their financing. Depending on the terms of the contract, they usually have three to five days to apply for a loan and 30 days to get approved. For this reason, buyers who are already preapproved can be more attractive than buyers who aren't. Your realtor will be able to find out if a buyer is preapproved by asking the buyer's realtor (they may disclose this information voluntarily when making their offer).

The contract can also be contingent upon the seller providing certain requests within a set time frame. These may include a clear termite letter or termite bond, having the home professionally cleaned, conducting a survey, securing a home warranty and/or taking care of repairs. It's important to make sure these items are provided within the time frames spelled out in the contract.

CLOSING DATE AND POSSESSION The purchase and sale agreement will list the closing date and specific location. At the closing or at a mutually agreed upon time, possession will be transferred to the buyer. If for some reason the loan doesn't close or you were unable to satisfy title by the agreed upon closing, either party has the right to unilaterally extend the closing for seven days. This unilateral extension can only be used one time by either party, however there is no limit to how many times both parties can mutually extend the closing.

IF YOUR APPRAISAL COMES IN LOW:

- 1 It is possible for you and the buyer to renegotiate a new, lower purchase price that meets the appraised value.
- 2 The buyer may choose to increase their down payment to meet the new loan-to-value down payment minimums.
- 3 Some lenders can dispute the appraisal; however, it's 100% based on the lender.
- 4 Depending on the type of loan, the buyer may choose to switch lenders.
- 5 Worse case scenario, if the contract stipulates an appraisal contingency, the buyer will have the right to terminate the contract and have their earnest money returned.

THE CLOSING

WHAT YOU NEED TO KNOW

GETTING TO THE CLOSING TABLE.

Beyond a successful inspection and appraisal, avoid these mistakes and you'll likely get to that closing table.

1. Don't ignore contingencies. If your contract requires you to get something done before the sale, get it done and make sure it's done right.
2. If something breaks while the house is under contract, make sure it's fixed before the buyer does their final pre-closing walkthrough. If the home isn't in the same condition as it was when they made the offer, they can back out of the sale.
3. Treat those deadlines properly. If you're still in the home, move out a couple of days early to turn the keys over at closing.
4. Don't hide liens from buyers. If the federal government has placed a tax lien against the home or you owe six months of homeowners association fees the title search will turn all of them up.

FINALLY IT'S HERE: CLOSING DAY.

The date you've likely circled on your calendar has arrived. Here is a breakdown of what to expect.

It's the closing attorney's responsibility to handle:

1. Ordering and obtaining a title examination.
2. The review of the abstract of the title examination.
3. Obtaining municipal lien and tax information from the city or town in which the property lies.
4. Recording the closing documents.
5. Issuing title insurance.
6. Obtaining and reviewing mortgage and lien payoff information requested from lenders and others that hold mortgages and liens on the property.
7. Preparation of the closing loan documents.
8. Dispersing the lender's and/or purchaser's funds.

WHAT TO BRING TO CLOSING.

Here's a list of things you should bring with you to the closing:

1. Photo ID.
2. Certified check and a personal check if you owe money at closing that's less than \$5,000; otherwise, the money needs to be wired.
3. House keys & electronic devices for garage doors and alarm systems .
4. Warranties that are still in effect.
5. Original Power of Attorney, if necessary, drafted by the attorney closing the transaction.
6. Warranties and repair receipts if applicable.
7. Documentation/receipts required by the purchase and sale agreement for repairs, etc.

THE NEW CLOSING DISCLOSURE

Until recently sellers, and buyers received a HUD-1 or settlement statement prepared by the lender's attorney at least 24 hours before closing. But beginning October 3, 2015, that document has been replaced with the Closing Disclosure. The change was made to help simplify matters at closing to avoid any confusion.

Under the new laws, the buyer and seller will be provided with separate forms. The form the seller receives is prepared by the closing attorney and called the seller's Closing Disclosure. It spells out the details of the transaction which will include the purchase price, adjustments for pre-paid or unpaid real estate taxes and assessments, payoff of mortgage amounts, seller paid closing cost and credits.



To see an example of the seller's side of the new closing disclosure, visit http://files.consumerfinance.gov/f/201311_cfpb_kbyo_closing-disclosure-seller-only.