

Basic Steps to Selling Your Home

Selling your home can become a very emotional process if you have a strong attachment to it. This is especially true if you have lived in it for many years, raised your family there, and made improvements to fit your family's lifestyle. There also are other reasons for selling, such as loss of job, the desire or need to relocate, negative financing changes, a need for a larger or smaller home, or other personal needs. Selling a home is a complex process. Here are some steps to help guide you:

- 1. Make the effort to become an informed home seller.** This means you should have a basic understanding of the process of selling your home. This involves preparing your home for sale, obtaining a pest control inspection, listing your home with a real estate agent and office, determining a realistic listing price, disclosure requirements, reviewing and negotiating purchase offers, buyer inspections, and other activities leading to Close Of Escrow (COE). Newspaper articles, books, and the Internet are sources of some of this information.

The most important source for information is a real estate agent. You should find and develop a working relationship with an agent who can explain the selling process and answer your questions as they arise. Also ask how often and by what means your agent will communicate with you.

- 2. Prepare your home for sale.** Begin by thinking objectively about your home as a house for sale. You will be moving out, and buyers will be looking for a house that will become their home. Try to visualize what buyers will see and think when they look at your home and compare it to other homes for sale. Does your home have the best curb appeal it can have? What needs fixing? What kinds of improvements can you make that will enhance both the exterior and interior of your home? Here is where a real estate agent can help answer your questions and offer suggestions.
- 3. Pest Control Inspection.** One important inspection to consider to have done before listing your home is a pest control inspection, more commonly known as a termite inspection. If this inspection uncovers problems, then you can get them taken care of before you list your home and not create potential delays in the transaction process. When a buyer obtains a loan for your home, the lender usually requires a "clear pest control report". However, a pest control report may be acceptable to a lender only if it is recent, 30 to 60 days is typical. In a slow real estate market, this short time period can influence when you may want to have this inspection.
- 4. List your home with a real estate agent and office.** To get the most exposure for your home in the marketplace, you will need to list your home with a real estate agent and office. The agent will then list your home on the local Multiple Listing Service (MLS), where hundreds or thousands of agents have access to your listing. These agents also will have access, at your home, to a lock box with a key. This gives them access to your home, so they can show it to their buyers. All MLSs as members of the National Association of Realtors will also list their homes on the Internet at *www.realtor.com*. Here both agents and the public can search for homes in any community throughout the United States. Your agent also will put a for sale sign on your property. Additional marketing options may be available through your agent and office.
- 5. Determine a realistic listing price.** One of the more difficult decisions to make is to determine a realistic listing price. This should be done objectively by comparing your home with recent sales of homes that are comparable to yours, and then make adjustments for differences in condition, features, and amenities. Comparing recently sold homes is called a Comparable Market Analysis (CMA). Your agent has access to sales information via the MLS to put together a CMA. Your listing price should be based on sales facts of homes sold and not on your emotional attachment.

- 6. Disclosures Requirements.** When you as an owner sell your home, you are required by California real estate law to provide a variety of disclosures. Some disclosures are specific requirements such as Smoke Detectors, Water Heater Strapping, Lead Based Paint, Natural Hazards Disclosure report, and others. Another type of disclosure is the Transfer Disclosure Statement (TDS) and usually a Supplemental report. In these, you describe both the current condition of your property and changes you have made such as improvements and existing problems as well as area and neighborhood information. You are to disclose what are called “material facts”. These are facts that might influence a buyer’s decision to buy or not buy your property. In essence, you are selling your property “as disclosed”. The title company will issue a preliminary title report for the buyer to review. It will describe the current legal conditions affecting title such as easements and liens against the property.
- 7. Reviewing and Negotiating Purchase Offers.** An offer to purchase, a purchase agreement, is usually submitted to your real estate agent by fax or delivered documents. Your agent reviews all documents and then meets with you to explain the details of the offer. You then decide if it is acceptable as is or you want to make a counteroffer. More than one counteroffer may take place between you and the buyer. After you accept an offer, your agent will send this acceptance to the buyer’s agent who will open an Escrow with a Title Company (northern California) and then put the buyer’s deposit in it. Your agent will then deliver your disclosures to the buyer’s agent and buyer for them to review. The buyer can accept them as disclosed or take some other action, such as requesting more information or canceling the offer. There are time limits within the purchase agreement that need to be adhered to. These are defined as “time is of the essence” requirements. If time limits are not satisfied, delays can result and lead to cancellation of the purchase agreement. Most purchase agreements are contingent upon the buyer obtaining loan approval within a certain period of time.
- 8. Buyer Inspections.** Within the purchase agreement are provisions for the buyer to have property inspections. These include a home inspection, a roof inspection, a pool inspection, and inspections that may be unique to your property. Following any inspection the buyer may request repairs to be done or decide not to go through with the purchase. Repairs are usually handled through the use of addendums and other documents.
- 9. Close of Escrow.** Close of Escrow occurs after all contingencies are removed and documents between parties are signed. Both you and the buyer will sign final closing documents at the title company. The document process will be completed when title documents are recorded with the county. The title company will then issue you a check from the sale and you will turn over your house keys to the buyer.

The above steps serve only as a guide to the process of selling your home. All listings of homes and the sales of them are different in requirements and complexities.

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