



GUIDE FOR
HOME SELLERS



When it comes time for you to sell your beloved home, your listing agent is your lifeline. Whether they're helping you come up with a competitive listing price, advertising your home across marketing channels, or helping you navigate the process of closing, your agent is committed to helping you sell your home quickly for a fair price.

But even with an experienced agent by your side, you still need to have a solid understanding of the process of selling your home. This Seller's Guide will take you through the process of selling your home, giving you the tools you need to feel confident throughout the process.

CONTENTS

A Step-By-Step Guide to Selling Your Home

SECTION 01	
Research And Prepare.....	3
SECTION 02	
Staging.....	5
SECTION 03	
Showing Your Home.....	8
SECTION 04	
Offers.....	11
SECTION 05	
Going Under Contract.....	17
SECTION 06	
Closing.....	20
GLOSSARY.....	22



01 Research And Prepare

First Things First...

It's completely possible to sell your home without the help of an agent. With that being said, getting an agent to help sell your home will help you deal with the intricacies of the process. Agents are well aware of the ins and outs of the home selling process, and on average, **agent-assisted homes sell for an average of 32.5% more than homes sold without an agent's help.**¹ Beyond the monetary savings, the time and stress you'll save by working with an agent will make for a smoother process overall.

HIRE AN AGENT

**AVERAGE PERCENT MORE AGENT-ASSISTED HOMES SELL
FOR VERSUS HOMES SOLD WITHOUT AN AGENT'S HELP** ▶

32.

5

Setting Your Price

Once you've settled on the right listing agent for your home, it's time to talk price. Your agent will start by presenting you with a Competitive Marketing Analysis (CMA). A CMA will show you what similar properties in your area sold for, giving you a relatively good idea of the fair market value of your home.

Your agent will work with you directly to set the selling price, but keep in mind that as a rule of thumb, homes listed for more than 10% above their fair market value may turn potential buyers off, leading to your house sitting on the market.²

¹ <https://www.nar.realtor/research-and-statistics/quick-real-estate-statistics>

² <https://www.thebalance.com/the-poor-strategy-of-pricing-above-market-value-1799009>

01 RESEARCH AND PREPARE

Take a Step Back

Your home is your baby, and it's understandable to feel defensive if your agent recommends a listing price that's lower than you'd like. It's time to detach yourself from the sentimental parts of your home: Your agent knows their stuff, and they only want what's best for you. Keep an open mind going into the home selling process — you'll be better off for it.

Show Me the Money

There's more to be done once you've set your listing price. Your listing agent (or broker) will put together a Sample Net Sheet, a worksheet that estimates the net cash you'll receive from the sale of your home. This exercise subtracts your anticipated selling costs from the total list price of your home.

Conveying

Your listing agent/broker will then ask you to specify exactly which assets in your home will be "conveyed" (or included) with the purchase of the property. Items you should "convey" include:

- Draperies
- Drapery rods
- Firewood
- Washer
- Dryer
- Refrigerator
- Stove
- Microwave
- Awnings
- Screens
- Blinds
- Shutters
- Air conditioners

... and anything else you'll be leaving with the home.

02 Staging

Staging is the process of visually preparing your home for sale. The goal of staging is to make your home as appealing as possible to a wide variety of people, leading to a quicker sale and potentially even a higher selling price. There are a huge number of ways to stage your home: From adding plants to swapping furniture to repainting, a well-staged home should make a buyer feel like they can see themselves living in your home.

Curb Appeal

Start outside: Make sure your lawn is trimmed, your landscaping is polished, your gutters are cleaned, and your siding / exterior is free of any major imperfections. Agents know how important curb appeal is: After all, more than 94% of agents will recommend doing at least a few things to boost your home's curb appeal.³

Keep It Clean

The inside of your house is where you'll find most of the work to be done. Going room by room, take stock of any furnishings or decorations that are worn, shabby, or ready to be retired. Be sure to vacuum any carpets, wash any floors, and clean any windows around your house while you're in the middle of your heavy-duty cleaning walkthrough.

Once you've done a thorough cleaning throughout your home, take a look around and keep in mind that there's such a thing as **too clean**: If buyers think your house feels sterile or empty, they may find it harder to see themselves in your space.

³ <https://www.nar.realtor/research-and-statistics/research-reports/remodeling-impact-report-outdoor-features>

02 STAGING

A Fresh Coat of Paint

If any areas of your home need a fresh coat of paint, stick with a neutral option. The point of staging your home is to help potential buyers see themselves in your space, and neutral paints will appeal to a wide variety of people. Still feeling conflicted on what shade to put on your walls? Ask your agent for advice: After working with so many other buyers and sellers during their career, they'll likely have a good idea about what colors work.

Beyond painting, now's the time to replace any outdated fixtures like doorknobs, light switch covers, and cabinet pulls. These are relatively low-effort to replace, but they can contribute to a cleaner, more modern-looking home come your first open house.

Bring in a Professional

Before you set up your first open house, consider bringing in a professional stager. This won't be feasible for everyone, but if you can spare the time (and expense), the payoff will be worth it. In fact, The National Association of Realtors has found that hiring a professional stager can increase a home's sale price by 6-10% and decrease time on the market.⁴

Major Renovations

Some repairs, like the ones above, are cosmetic: They make your home sparkle. As any homeowner knows, though, there are certain "dream" renovations to be done that can really take your home to the next level.



Pro Tip

**HIRING A
PROFESSIONAL
STAGER CAN
INCREASE A
HOME'S SALE
PRICE BY UP TO**

10%

⁴ <https://www.nar.realtor/sites/default/files/documents/2019-profile-of-home-staging-03-14-2019.pdf>

02 STAGING

Talk to your agent and learn a little bit more about what buyers in your area are looking for. Do people want extra parking? An in-law suite? Based on the CMA, what renovations would maximize your ROI? You don't want to remodel your living room, for instance, if you won't get that money back in the sales price.

You've likely considered some of these renovations before, but now's the time to capitalize on the value a well-done renovation can bring to your home. These bigger renovations can be invasive, but they can also boost the selling price of your home. Your new renovations will also draw in buyers who may not have been interested in your home beforehand.

Before taking the plunge and redoing your kitchen or knocking down that pesky living room wall, take a look around your area and get a few different quotes for the work you want done. You may want your renovations done as quickly as possible, but putting a little bit of work into vetting potential contractors can save you thousands in the end.



SECTION 3

03 Showing Your Home

While you're making your home beautiful, your agent is hard at work spreading the word about their newest listing. Agents have strong networks, and they'll market your home in the weeks leading up to your open house, drawing as many people to your home as possible.

Putting Your Home on the Market

To spread the word about your home to as many people as possible, your agent will put your home's information in the multiple listing service (MLS). Simply put, an MLS is a membership service available to brokers and agents in a given geographic area. This will make information about your property widely available to agents and brokers in the same MLS, and eventually to consumers once it's actually on the market.

Open Houses vs. Showings

Before inviting buyers into your home, it's important to understand the two different ways they can see your home for themselves. You're likely familiar with the concept of an open house already: Your agent will schedule a time for potential buyers to walk through your house, saving you the time of scheduling individual showings for the dozens of people that may show up.

03 SHOWING YOUR HOME

A showing, on the other hand, is usually for a single prospective buyer and their agent. Showings are scheduled in advance, and you'll work with your agent to set a time that works best for both of you. The advantage to making time for individual showings is the amount of private time the prospective buyer has in your home: After all, it's easier to see yourself in a home when there aren't six other people poking around the master bedroom with you.



Pro Tip

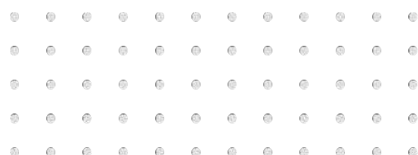
BEFORE AN OPEN HOUSE OR PRIVATE SHOWING, REMOVE PERSONAL ITEMS SO POTENTIAL BUYERS CAN PICTURE THEMSELVES IN YOUR HOME.

Before your open house or your showing, it's crucial to take a final sweep through your home, removing evidence of your family's (or pet's) activities. After all, seeing personal items scattered throughout your home will likely make it harder for potential buyers to envision themselves in your space.

Show Time

It's the big day — your first open house is coming up in just a few hours, and you're more than ready to bring in some offers. A few hours before the start of your open house, take one last look around to make sure everything is spick and span. Your agent can also put some cookies in the oven to make your home feel even... well, homier! As a precaution, your agent should also display healthy number of property info brochures right inside your door so potential buyers can easily pick up more information about your home.

On the day of the showing, your agent will likely ask you to make plans outside of your home. You may want to stay behind and see how things are going, but it's a better idea to remove yourself from the situation and let your agent take the reins. Things aren't totally out of your control, though: You get to set the showing hours, so be sure to plan ahead and choose a time that works well for you.



03 SHOWING YOUR HOME

What If I Don't Get an Offer?

Not getting an offer after putting your house on the market may feel like the end of the world, but where there's a will to sell, there's a way. Reconvene with your agent and go over some strategies to draw in offers. Do you need to stage the house differently? Market it differently? Lower the selling price? Your agent will have the institutional knowledge to know whether, based on your market, this is a normal situation or something that needs immediate action.



04 Offers

The Basics of an Offer

When a prospective buyer makes an offer on your home, they'll make their offer using a templated contract approved by your local MLS. This contract enables the buyer to name their sale price, specifies other terms of purchase, like closing and possession dates, deposit amount, and other miscellaneous clauses.

If you live in a large or relatively competitive market, your agent will likely set a deadline for any offers as a way to motivate buyers to get their offers in quickly and efficiently. Be prepared to act fast — this same urgency will translate to the process of vetting any offers that come in.

The buyer's agent will deliver their offer to your agent, who will review it before formally presenting it to you. Listen closely to every part of the offer: It's crucial to make sure you understand the terms of any offer that comes in, and your agent will be more than happy to explain anything you have questions about.

If you're in a more competitive market, prospective buyers may go out of their way to grab your attention in the hope that you'll choose their offer over everyone else's. Buyers may try to "sweeten" their offers by:

- Writing a heartfelt personal letter directly to the seller
- Presenting an all- or mostly-cash offer
- Offering to pay your closing costs
- Removing common contingencies from their offers
- Adding an "escalation clause" to their offer. An escalation clause states that if a stronger offer comes in, the buyer will automatically increase their bid higher than the competing offer (to a point).

04 OFFERS



LISTEN CLOSELY TO EVERY PART OF THE OFFER: IT'S CRUCIAL TO MAKE SURE YOU FULLY UNDERSTAND THE TERMS

Once you've vetted the offer, you can then:

1. Accept the offer as-is,
2. Reject the offer, **OR**
3. Counter the offer to initiate the negotiation process

If you choose to counter the offer, you and the prospective buyer will go back and forth, adjusting terms as necessary until you've reached terms that both parties deem to be acceptable.

A decorative graphic consisting of a grid of small, light-colored dots arranged in a pattern that tapers to the right, located on the left side of the page.

04 OFFERS

Put on Your Poker Face

Let's face it: Both you and your prospective buyer want to secure the deal that best serves your disparate interests. You're likely interested in getting as close to your asking price as possible in the sale, and the buyer is likely concerned with getting the price down as far as possible.

Don't show your hand too early: Things like your finances and your motivation for selling can potentially be used against you. Let your agent vet any counter offers to ensure that you're acting in your own best interests.

Understand the Buyer

If you can find out more about the prospective buyer's priorities during your negotiations, you'll not only improve your position: You'll also be able to deal with any obstacles more creatively and sensitively.

For example, let's say you find a potential buyer who loves your home, but refuses to budge because you've set your targeted closing date in stone. If you understand where the buyer is coming from, you can negotiate things like closing costs and contingencies instead of closing date, leading to a sweeter deal for both parties.

Taking the Plunge

Once you've found "the one," the buyer of your dreams, it's time to hunker down and get the deal made. Here are a few things to keep in mind as you make the deal happen:

04 OFFERS

MAKE THE DEAL HAPPEN:

1

DISCLOSE
EVERYTHING

2

ASK
QUESTIONS

3

RESPOND
QUICKLY

4

THINK
BIG PICTURE**Disclose everything**

Your buyer has the right to know everything about your home. When disclosing any and all defects you know about, go above and beyond what you think is necessary. Not only will disclosing any issues to the buyer keep them informed, but it could save you from legal trouble down the road.

Things to disclose include:

- Water damage
- Mold
- Termite damage
- Cracked foundation
- Leaks
- Electrical, HVAC, or sewage problems
- Previous repairs and/or renovations
- Environmental threats like earthquakes, floods, or frequent wildfires
- Ghosts (yes, seriously)

... and anything else that the new owner of your home might need to know.



04 OFFERS



Ask questions

Throughout this process, you'll work with numerous different buyer's agents, so communication is key if you want to stay in the loop. Ask your agent whenever you have a question about an incoming offer.

Respond quickly

Buyers want to, well... buy. Moods can change though, so you don't want to delay the sale if you don't have to. Your agent can help you assess whether it's a buyer's or seller's market, too.

Think "big picture"

Don't let small sticking points get in the way of a deal between you and your buyer. If you and your buyer can't come to an agreement over a small portion of the offer, considering meeting them in the middle to expedite the process.

Contingencies

A pending sales agreement almost always includes contingencies, or conditions that have to be fulfilled by the buyer and seller by the closing date. Depending on the situation, the closing date usually falls 30 to 60 days after both parties sign the final agreement.

Some typical contingencies from buyers may include:

- The buyer's securing of home financing
- A title search, or a historical review of all legal documents relating to your home. This ensures that both you and the property are in good financial standing.



04 OFFERS

- Buying title insurance, just in case there are any errors in the paperwork being reviewed
- A professional appraisal of the home
- An independent inspection of the home's structural and functional condition (foundation, roof, electrical, heating, plumbing, etc.)

... and any other conditions you and your buyer have agreed upon.

As the seller, you can also institute contingencies. The most important contingency that you can add as the seller is a "Sale and Settlement" contingency, which stipulates that you, the seller, must have found and settled on a new home before your new home can be sold. This clause will protect you in the event that you can't find a new home on the timeline your buyer expects. If you haven't found new housing in time, you'll be able to keep your home, and the buyer will move on and look for another home.



05 Going Under Contract

Once you've accepted a buyer's offer, you might be tempted to relax and let your family and friends know that you've sold your home.

Not so fast!

You're now "under contract," stuck between the offer and closing. You may not notice much going on while you're under contract, but this the busiest time for lenders, inspectors, and buyer's agents alike.

Due Diligence Money vs. Earnest Money

While you're under contract, a lot of money is flying around. First off, the buyer is contractually obligated to provide their agent with "due diligence money," a predetermined sum that's associated with a "due diligence period." The due diligence period is a preset amount of time (determined in the contract) during which the buyer can complete any needed inspections, examinations, or appraisals.

Due diligence money is almost always nonrefundable (unless the seller breaches their contract), but this money is usually credited to the buyer during closing.

As the seller, you're likely more interested in "earnest money," a lump sum paid to you by the buyer as a show of good faith. Earnest money acts as a kind of deposit, and the seller will usually end up keeping the earnest money if the deal falls through.



05 GOING UNDER CONTRACT

Inspections

While you're under contract, your buyer is going to inspect the hell out of your home. They'll hire a qualified home inspector to make sure everything is up to snuff, and that inspector will take note of any repairs that need to be made before the buyer closes on the house.

The buyer will likely ask you to make the necessary repairs or provide them with a financial concession at closing so that they can complete the repairs themselves. If you provide the buyer with the repairs (or financial concessions) they've asked for, things will be smooth sailing from here on out.

If you refuse, though, you may be staring down the barrel of...

The Worst-Case Scenario

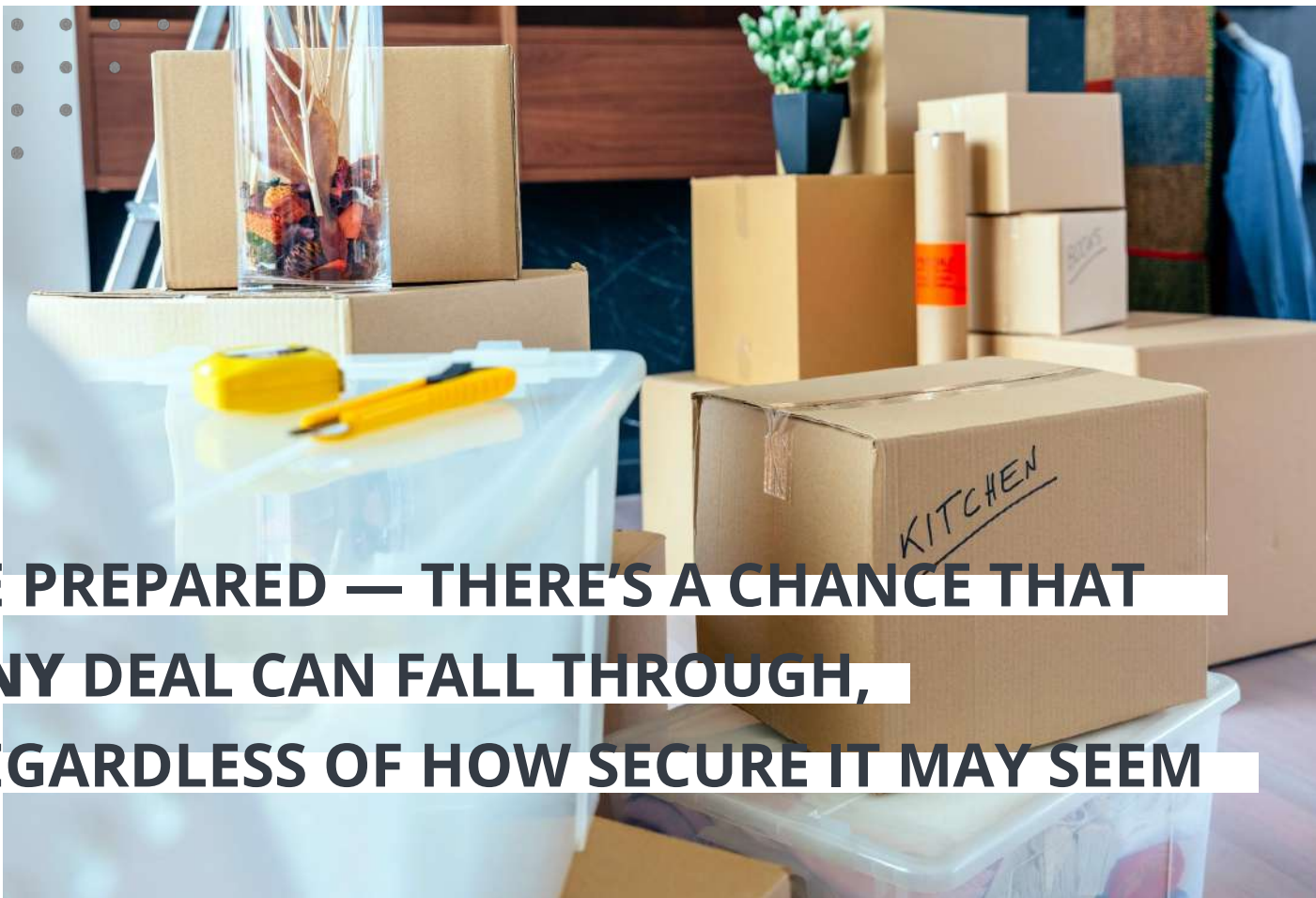
Deals can fall through for any number of reasons. You and your buyer may be unable to come to an agreement about due diligence repairs. The buyer may be unable to sell their home. The bank may appraise your home substantially lower than your sale price. Regardless of what happens, there's a chance that **any** deal can fall through, regardless of how secure it may seem.

If your deal falls through, you'll receive the earnest money deposit. Now's the time to take stock of your next steps. Your agent will help you figure out what went wrong, and they'll try to help you prepare for the less-than-ideal optics of putting your house back on the market once it's been under contract.

05 GOING UNDER CONTRACT

There may have been no way to predict that your deal would fall through: After all, sometimes luck just isn't on your side. However, you should be more vigilant than ever going forward — you (and your agent) want your house to sell as quickly as possible, so you'll have to scrutinize every little detail of any future offers to avoid another bad deal.

If the deal fell through because of a mishap on your end (major repairs or structural issues, appraisal issues, etc.), you should address said mishap as soon as possible, making your home as perfect as possible so you can begin the process over again.



BE PREPARED — THERE'S A CHANCE THAT ANY DEAL CAN FALL THROUGH, REGARDLESS OF HOW SECURE IT MAY SEEM

06 Closing

If you and your buyer have both taken care of everything expected of you, closing the transaction — “closing”, “escrow,” or “settlement” depending on who you’re talking to — will go off without a hitch.

24 hours before the closing date, your buyer will go on one last walkthrough of your home, making sure that all personal belongings have been removed and ensuring that everything looks clean and functional.

On the actual closing date, you’ll need to bring your checkbook and an abundance of patience. The parties present at closing usually include:

- A closing agent
- An attorney (one for you, one for the buyer)
- A title company representative
- The seller (you!)
- The seller’s agent (your agent)
- The mortgagor (or buyer)
- The mortgage lender

A third-party closing agent (usually an attorney) will walk you through all of the necessary paperwork, which includes

The last piece of the closing puzzle comes with the closing costs you’re responsible for as the seller. These may include:

06 CLOSING

- Attorney's fees
- Lender's inspection fees
- Appraisals
- Broker's commissions
- State deed transfer tax / recordation fees
- Condominium or HOA packet fees
- Water escrow (to reduce, bring canceled check and last bill; amount prorated at settlement)
- Termite inspections

Once you've paid your necessary closing costs and read your agreement all the way through, the closing agent (generally a third-party and a lawyer) will review the agreement, making sure that both you and the buyer have fulfilled all of the necessary conditions therein.

After the closing agent reviews your agreement and you and your buyer have signed on the dotted line, you've made it through closing!

After your attorney and the buyer's attorney have combed through all the signed paperwork and double checked that everything is "good to go," you can officially hand your keys off to your home's new owners. There's just one last step:

Disbursement

You may be thrilled to have sold your house, but now it's time to collect the money you earned from the sale of your house. Once all the completed paperwork is in hand, the attorney or title company you worked with at closing will ensure that all necessary funds are in hand, all checks have cleared, the new lender has reviewed papers, the title has been re-checked, and the deed Recorded. Once that's all said and done, you'll receive your money (usually within 4-5 business days).

Congratulations — you've sold your home!



Glossary

Assessed value

The value placed on a home by third-party assessors in order to determine property tax rate.

Closing

Closing is the delivery of a deed, financial adjustments, the signing of a note, and the disbursement of the funds necessary to consummate, or close, the sale or loan transaction.

Comparative Marketing Analysis (CMA)

A CMA is a detailed evaluation of specific homes nearby that have comparable features, amenities, lot sizes, or footprints. Your agent will present you with a CMA to assist in coming up with a fair list price for your home.

Contingency


Contingencies are conditions that must be met, either by the buyer or the seller, in order to complete the sale of the home.

Counteroffer

As a seller, a counteroffer occurs if a buyer makes an offer on your house and you respond with your own offer.

Earnest money

Earnest money is a deposit paid by the buyer to show that they intend to secure a mortgage on your property. Depending on circumstances, the buyer may or may not be able to get this money back if either party decides not to complete the purchase.



GLOSSARY

Escrow

Escrow is a general term to describe the part of the home buying process when a third party (usually an escrow provider) holds on to the bulk of the money involved in your offer, ensuring that both the buyer and the seller meet their obligations.

Home inspection

A home inspection is an examination of the condition of your home. A qualified home inspector will walk through your property, examining the property's roof, foundation, HVAC systems, plumbing, electrical wiring, water, and sewage. The home inspector will also look for evidence of insect damage, water damage, or any other damage you may not be aware of.

Listing presentation

A listing presentation is an interview between a homeowner and a listing agent. Homeowners will often see several listing presentations before deciding which listing agent they want to work with in their real estate transaction.

Market value

Market value is the amount a given property would actually cost under "normal market conditions."

Purchase offer

A purchase offer is a written contract setting out the terms under which a buyer agrees to buy your home.

