

# Primer for First-Time Home Sellers

## Basics You Should Know-Before You Sell

*By Charles J. Kovalski*

Selling a home is never easy, even when interest rates are favorable. Emotionally, we are all tied to the homes we have lived in, raised families in, laughed or cried in-no matter how long we owned it or how great our next "new" home will be.

Emotions aside, home owners can take steps when selling their homes that can make the process much easier. A primer for selling your home:

**Assemble your real estate team.** Just as you did when you bought your house, it's essential to put together a team of professionals with your interests in mind when you *sell* it. This team includes a real estate attorney, a real estate agent, an inspector (for a second opinion, if necessary), an appraiser and a surveyor. Whether or not you decide to use an agent, your real estate attorney will guide you through the sales contract, seller disclosure, title insurance, inspection reports and more. Rounding out your team is an appraiser, whose opinion of your home's value is a good second opinion to your real estate agent's expertise; and your surveyor, who can clarify property boundaries requested by a buyer or title agency.

**Determine the asking price of your home.** The "Comparative Market Analysis" or CMA compares your home to comparable homes, or "comps," in your neighborhood that are either presently on the market or have sold in the last six months.

The comp includes information such as how long a house stayed on the market; how close the sale price was to the asking price and other notes such as number of bedrooms and bathrooms. If you choose, a professional appraisal of your home will also give you an unbiased opinion of your home's fair market value. Other influences that can affect the price of your home include interest rates, housing market conditions, supply and demand and the economy.

**Find a buyer.** There are various types of listing agreements-or legal contracts-available to sellers who use agents. An "open listing" allows the seller to list the home with several agents, paying a commission to the first one who brings about a satisfactory sale. Although it sounds good, open listings don't offer much incentive to realtors to market the home and can't be included in a Multiple Listing Service. In an "exclusive listing," the agent hired is the only agent who will receive a commission; an "exclusive right to sell" guarantees the agent a commission no matter who finds a buyer, be it the seller's or the buyer's agent.

When finding a buyer, avoid entering into agreements with "difficult" buyers whose proposals contain lists of hard-to-meet contingencies. Also try to avoid accepting the bid of a prospect whose purchase of your home is contingent on the sale of his own home unless you determine that his sale is imminent.

**Prepare your home-and your emotions.** Selling a home is a major change. As humans, we're all inherently territorial, and many of us form strong emotional attachments to our homes. In addition, the financial implications of a home sale can create strong emotions for some. The best advice is to get organized, and develop a clear, rational understanding of the home selling process.

For many, the physical preparation of selling a home is easier than the psychological preparation. Painting, cleaning and repairing are profitable essentials, and cleaning out closets and the garage are critical to selling a home. The goal is to get your home into near perfect condition before exposing it to the market-in fact, some agents even recommend hiring professional home stagers to reach that goal.

**Consider your offers.** When a prospective buyer makes a formal offer in the form of a "contract for purchase and sale," or "purchase and sale agreement," remember that the contract itself can't hurt you-until you sign it. At that point, the offer is contained in a legally binding document. For this reason, your real estate attorney needs to review any contracts you receive from any prospective real estate buyers.

Basic elements of a contract include the price and financing terms, date possession of the home will be taken, which (if any) personal property will be left in the home, amount of deposit, and the method of payment at closing. Most contracts also contain a common clause asking for proof that the seller is the sole owner of the home, as well as certain contingencies for sale. The contract is also the blueprint or road map for all of the issues to be addressed by both buyer and seller at the closing.

**Prepare for closing.** The final step in selling your home is the closing, when you get paid, the buyer receives the deed to your home and the transfer of ownership takes place. At this meeting, all the contract details are finalized and all the agreements between you and the buyer are executed. Bring a good pen-you'll be signing lots of documents.

*Charles J. Kovaleski is president of Attorneys' Title Insurance Fund, Inc., (The Fund) the leading title insurer in Florida and the sixth largest title insurance company in the country. Acknowledged as the Florida residential real estate expert, The Fund has been in business for more than 50 years and supports a network of more than 6,000 attorney agents statewide who practice real estate law. The Fund, based in Orlando, underwrites more than 300,000 title insurance policies for owners and lenders in Florida every year. For more information, visit [www.fundhomeinfo.com](http://www.fundhomeinfo.com)*