

# For Sellers Only

Preparation and timing can help you get the best price.

## **When you decide to sell, the first thing to do is investigate the local housing market.**

Consult the large real estate sites, like [Realtor.com](https://www.realtor.com) and [HomeGain.com](https://www.homegain.com) to see how similar homes are priced in your neighborhood. Many newspapers also list the selling and asking prices of recent sales, plus how long the houses were on the market. Note the prices for your neighborhood during the last several months.

Check how sales were running, say, a year ago, so you get an idea of whether the market is heating up, cooling down, or staying put. This exercise should give you a sense of what your home is worth.

## **Working with an agent**

You may decide that you can sell your home without an agent. It's an attractive thought, since you would save the 6 percent of the selling price that a broker typically collects. But balance that against the work involved in advertising a house and being available at all hours to show it.

If you do decide to work through an agent, ask for referrals from friends or check the Web and local newspapers for advertisements. Don't simply accept any recommendation. Make an appointment with an agent and interview him or her for the job.

Evaluate the person as though you were a buyer: Is he or she professional and personable? Does he say the right things to make you want to see the home? Also, since the agent will likely be able to advise you on a selling price, how well does his or her price jibe with the homework you did on your own? Don't be fooled by an agent who is merely flattering you with an inflated price. Go by what you already know about your house and the current housing market.

Once you find an agent you like, you have to formally sign a listing agreement. This is a contract, laying out the specifics of your arrangement, including how long you will let the agent represent your home and what the compensation will be.

Many agents prefer an exclusive listing, meaning you agree to pay a commission regardless of whether the agent is actually responsible for finding the seller. You should commit for no longer than three months (one month, in a hot market). In case you find the agent lacking in enthusiasm, you don't want to be locked into a bad situation.

When you discuss the listing agreement, discuss other issues as well. For instance, if there are certain times when you want the house off-limits for walk-throughs, let the agent know.

Also, consider negotiating the commission. If your house is expensive, an agent might not flinch if you suggest 4 or 5 percent instead of the usual six.

Conversely, if you know it's a buyer's market, consider offering the incentive of a higher commission if the agent can land you a sale within 5 percent of your asking price.

After you've signed a listing agreement, you may want to give your lawyer a call to notify him or her that you're selling your house and will need help reviewing bids and contracts. If you don't want to pay for a lawyer, your agent should also be able to guide you through this process.

## **Getting ready for an open house**

Whether you sell on your own or work with an agent, you'll want to spruce up your house before it goes on the market.

Take an objective look at it: Is it cluttered? A little worn and tired? Consider a new paint job. Tidy up. Move unneeded furniture into the attic, basement or rented storage. Remove some of your personal items, like family pictures and knickknacks. Mow the lawn. Plant flowers, if it's the right season. These seemingly insignificant details can add many thousands of dollars to your eventual sales price.

Speaking of which, you'll need to settle on an asking price. In doing so, forget what you originally paid for the house, how much you've spent on renovations or remodeling, and even how much money you need to move on to your next home. When it comes to pricing your property, the only yardstick that matters is what comparable homes are selling for in your neighborhood now -- which may be more, or less, than you sank into it.

Your research will already have given you a good idea of how the market is faring. Your agent should also provide you with comparable sales and discuss why your house should be priced higher or lower.

Also note how long the homes were on the market. If you're in a seller's market, with homes moving in a week or two, think about adding a premium to the asking price.

But be careful: The critical selling time is within the first month after your home hits the market. If the price is too high, you'll turn off potential buyers and agents and then have a hard time attracting them back, even if you lower your sights later.

When you receive a bid via your agent ask for guidance in how to respond. This will depend on how you priced the house, what the housing market is in your area and your urgency to sell or wait for a better price.

Make sure your lawyer or agent reviews the contingency clauses included with the bid. For example, it's generally not a good idea to agree to sell your home with the contingency that the buyer must first sell his or her own home.

Also make sure that all the buyer's contingencies are restricted within specific amounts of time. For instance, if the deal is contingent upon the home passing an inspection, then the inspection must occur within a week to 10 days of an accepted bid. The same is true of the closing date: Make the buyer commit to a reasonable date, usually 45 to 60 days from acceptance.