

10 Important Steps to Take Before You Sell Your House

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Essential Home Selling Preparations

The home selling process differs from state to state, but there are some important steps that most home sellers should take before listing a house with an agent or selling it for sale by owner. Every bit of prep work you do helps you get the most return from your investment.

1. Get Pre-Approved for a Home Loan

I've known sellers who signed a contract to sell their house before they knew if they were qualified to buy another. Either their financial circumstances had changed since their last purchase, and they could no longer qualify for a loan, or they weren't able to sell at a price that allowed them to buy the type of replacement house they wanted. They ended up renting or buying something that was far from ideal.

Before you decide to sell the house, get pre-approved by a lender you trust and research the housing market in the area where you wish to live so that you have a good idea how much it will take to buy a replacement.

Start looking for two types of real estate: houses that seem to match the one you'd like to buy and houses that are similar to your current home. How do the two categories compare in price? Can you handle the difference if you're planning a step up?

2. Check Your Mortgage Payoff

Call your lender to check the payoff for your current home mortgage. You'll need the figure to complete Step 6. If you have owned your home for less than 5 years, it is likely your payoff is close to your original loan amount. The vast majority of your mortgage payment goes to interest in the first five years of your mortgage, leaving little to principal reduction.

3. Determine How Much Your House Is Worth

Determine your home's fair market value. Real estate agents will usually help you determine value by preparing a Comparative Market Analysis. If you are uncertain about your Real Estate agent's price recommendation, consider a Real Appraisal from a local appraisal company. A list of local companies is shown in the box to the right:

4. Estimate Your Costs to Sell

- Real estate commission.
- Fees or costs such as house staging company's fees.
- Closing and Title agent and other professional fees.
- Prorated costs for your share of annual expenses, such as property taxes, home owner association fees, etc.
- Any other fees typically paid by the seller in your area (surveys, inspections, Title Insurance, etc.).

Dakota Homestead Title Insurance Company deals with transactions every day and can give you a very close estimate of seller closing costs.

5. Estimate Costs to Buy a New Home

- Calculate moving expenses, loan costs, down payment, home inspections, title work and title policy, paying for a new hazard insurance policy--all expenses related to buying a home. Your lender should give you a disclosure of estimated costs when you apply for loan pre-approval.

6. Calculate Your Estimated Proceeds

1. Deduct your mortgage payoff from your home's fair market value.
2. Deduct your costs to sell from the remainder to get an estimate of the proceeds you will be paid at closing.

Will your closing proceeds cover your costs to buy a new home? If not, do you have cash or other funding to make up the difference?

7. Make Necessary Repairs

Make all needed repairs unless you want the house to be regarded as a fixer-upper. I'm not referring to cosmetic updates--just items in need of repair. Anything that's obviously broken gives potential buyers a reason to offer you a lower price, especially if it's one of several repair hot spots that worry buyers the most, such as electrical, plumbing, mold & mildew or damp basements.

8. Get the House Ready to Show

Most houses need at least a little spiffing up before they are shown to potential buyers. Great curb appeal, fresh paint indoors (and some-times out), organized closets and cabinets, sparkling clean windows and appliances and a clutter-free look are essential if you want the house to appeal to buyers. Be sure to avoid the **things buyers hate most** about houses.

Things Buyers Hate Most:

1. Odors
2. Dogs that meet you at the door
3. Dirty Bathrooms
4. Dimly Lit rooms
5. Busy Wallpaper
6. Damp Basements
7. Bugs
8. Poor Curb Appeal
9. Gutters with debris/growth in them
10. Sellers who are present for showings

9. Get Psyched Up to Let People In

If you're listing with a real estate agent, she'll ask you to leave when the house is shown. Why? Because lurking sellers make buyers nervous--they don't feel comfortable inspecting the house when they feel they are intruding in your personal space.

Unless there's a valid reason for it, don't ask your agent to be present for all showings, because that requirement can be the kiss of death for showing activity. Other agents want privacy with their buyers and they don't usually have time to work around your agent's schedule.

Make the house accessible. That means it should *always* be ready to show. Many agents won't bother showing a house that takes 24 hours to get into.

10. Ask for feedback from your Real Estate agent often.

Your Real Estate agent is a professional and constantly gets feedback from other agents who have shown your home. This feedback can be priceless to home sellers. If agents who are showing your home are reporting "my client did not like the color in the kitchen..." or something of that nature, get your Real Estate agent's advice, it might be time to paint the kitchen a neutral color for a quick sale.

WANT MORE TIPS – CALL YOUR TRUSTED PROFESSIONAL AT TITLE SERVICES OF THE PLAINS



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