Gibson | Sotheby's INTERNATIONAL REALTY

HOME SELLING ESSENTIALS

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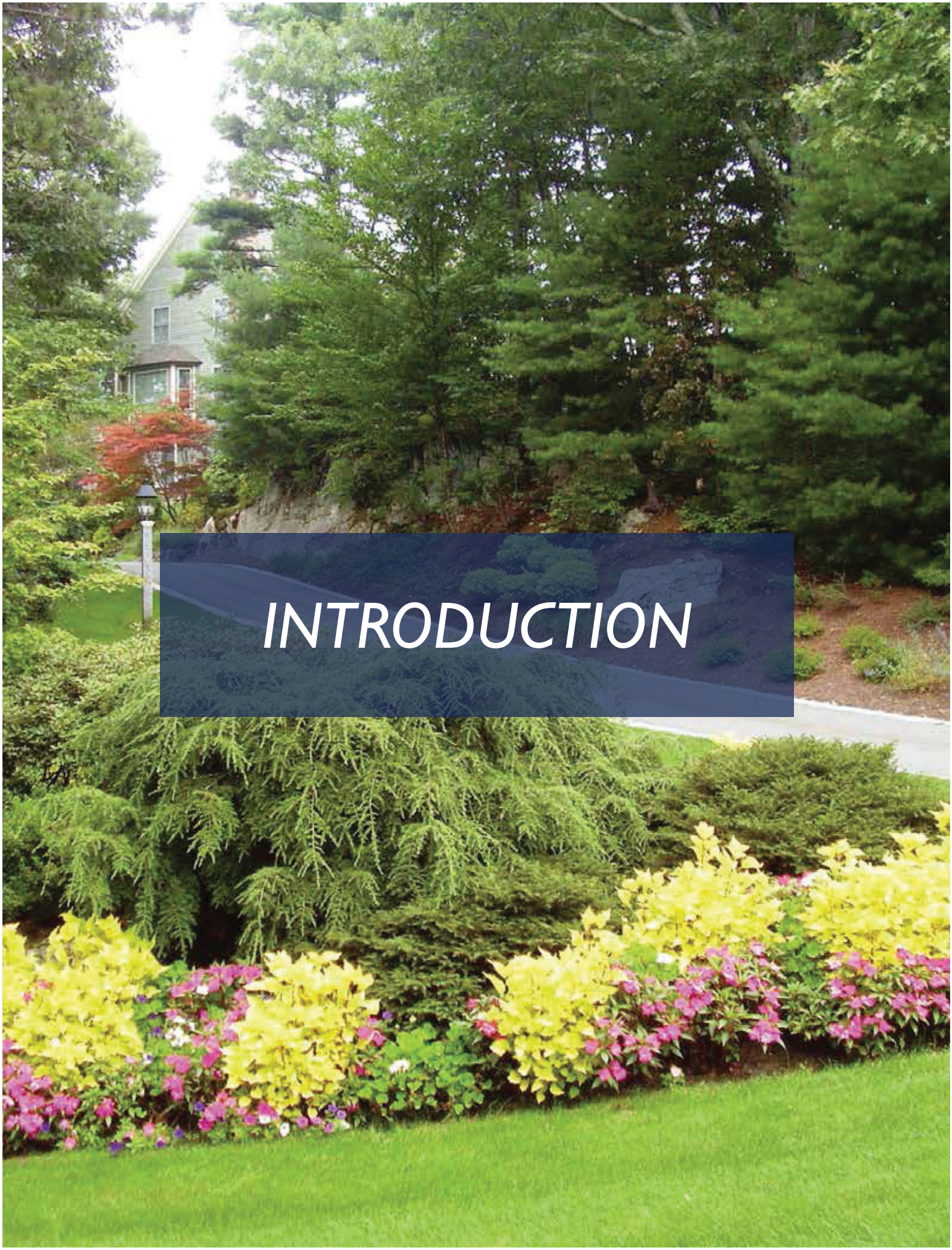
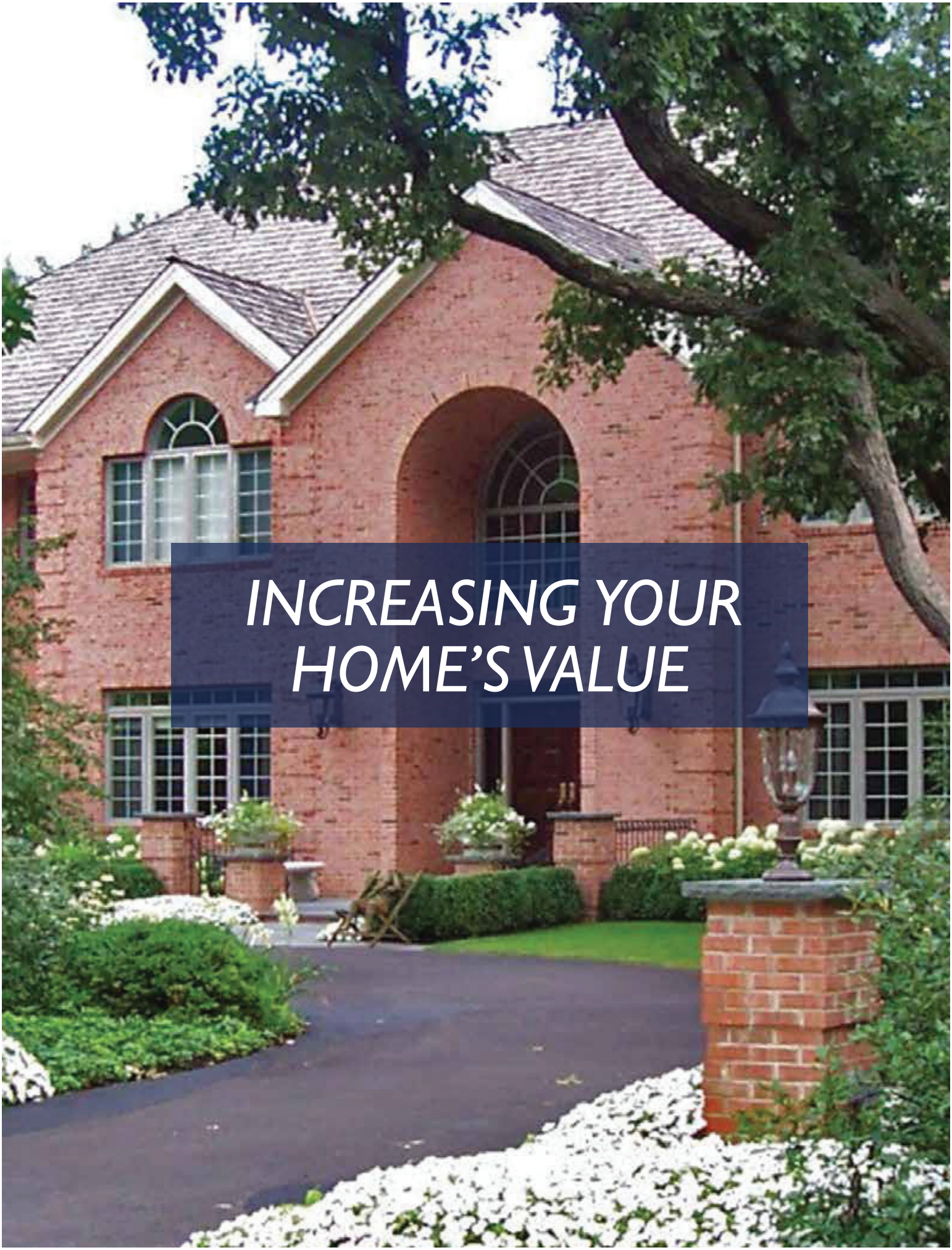


INTRODUCTION

Introduction

This Home Seller Guide provides a general overview of home selling essentials. To receive real estate advice customized to your property, please contact Leslie Mann at 508-904-4967 or Leslie.Mann@SothebysRealty.com for a personal consultation.



INCREASING YOUR HOME'S VALUE

Increasing Your Home's Value

There are many easy steps you can take to increase the value of your home. Depending on your home, this may include making minor home updates and repairs, decluttering, staging your home, and / or taking steps to improve its curb appeal.

1. Make Minor Repairs

We've all had small items in our homes that we keep meaning to fix. Little issues like a loose railing or a stain on the ceiling may seem unimportant, but they can worry buyers. To avoid this problem, ask a trusted friend or your real estate agent to walk through your home with you and let you know about anything they notice that is in need of repair. Take care of these before listing your house, so that buyers can focus on the positives of your home. Common repairs/maintenance items include:

- Fixing any leaks
- Ensuring that hand rails inside and out are secure
- Repairing any stains, cracks, or discoloration to walls and ceilings
- Replacing damaged siding and roof shingles
- Fixing burned out lights
- Identifying and resolving any moisture issues in the basement
- Tacking up any loose insulation in the attic
- Recaulking loose or damaged bathroom tiles
- Cleaning the gutters
- Oiling hinges to prevent doors from sticking

You might also consider getting a pre-inspection so you can identify and resolve repair issues before putting your home on the market.

2. Consider Inexpensive Upgrades

It usually doesn't make sense to invest in major upgrades when you're preparing to sell your home, but there are often affordable steps you can take to significantly enhance its value. While every home is different, here are some common steps homeowners take to update their house's look.

- **Replace or refinish cabinet fronts.** This can transform the look of the kitchen at a fraction of the cost of replacing cabinets.
- **Replace kitchen cabinet hardware.** Swap out older hardware on the kitchen cabinets for a newer look such as brushed nickel.
- **Eliminate colored tile.** Pink, yellow, and blue tiles were popular in bathrooms years ago but are not so appealing for today's home buyers. If you're concerned about this, contact a professional contractor about having the bathroom tiles resurfaced in a neutral color or having a tub enclosure installed. This is often much less expensive and time-consuming than replacing the tiles.
- **Strip the wallpaper.** Wallpaper is a big obstacle for many home buyers. It's best to eliminate this concern and have wallpaper removed.
- **Get a free energy audit.** Studies show that homeowners who invest in energy efficient home improvements recoup much of the cost through increases in the value of the house.

- **Upgrade appliances.** Many times it's the kitchen that sells the home. An amazing number of buyers simply cannot look past a kitchen that has outdated appliances, even though the cost to update them is very minor when you take into account the cost of the home.
- **Highlight hardwood.** If there are hardwood floors underneath carpets in your home, consider removing the carpets and having the floors refinished. This can make a huge difference in how the home shows.
- **Bring in more light.** Replacing a solid door with a wood-framed glass door is a great way to bring in natural light.

NOTE: *For every $1 decrease in annual home energy expenditures, house values increase between $11.63 and $20.73, according to the Appraisal Journal. Contact energystar.gov for free advice on inexpensive ways to make your home more energy efficient.*

3. Declutter

In our daily lives our homes naturally get cluttered with mail, the kids' homework, and so forth. It's important to get rid of this clutter before listing your house for sale. This helps create a sense of order and space. Clutter makes a home feel chaotic and closed in. Many times I've heard buyers comment that cluttered homes "need a lot of work". Often the home doesn't really have significant maintenance issues. It's that buyers see disorder and it makes them uneasy. An organized, decluttered home makes buyers feel more relaxed.

Here's a quick checklist for decluttering your house.

- **Clear off the kitchen counters.** Emphasize kitchen space by removing everything off the kitchen counters that you don't use every day.
- **Take everything off the fridge.** Personal photos, magnets, and sticky notes all should be cleared away. That includes anything that's being stored on top of the fridge.
- **Start boxing up kitchen items.** Buyers often focus on kitchen cabinet space, so you'll want this space to appear roomy. To do so, look through your kitchen cabinets and box up any item you don't use on a regular basis.
- **Recycle old electronics.** If you have old computer gear, TVs, and other electronics taking up space in your home, call your local electronics store. Some places like Best Buy will recycle these items for free.
- **Recycle household goods.** If you have excess furniture or household items that you don't want, post a message on sites like Freecycle.org. You can usually find someone who needs these items and will pick them up for free.
- **Keep an eye out for hazardous waste day.** There are many items taking up space in our garages that aren't safe to throw in the trash. Check when your town is having a hazardous waste day so you can safely dispose of items such as old paint, pesticides, motor oil, etc.
- **Clear off the bathroom counters.** Your master bath should feel luxurious and spacious to buyers. To keep it looking its best, stow away personal care products under the counter or in a little basket in the closet. This way they're easily accessible to you but are out of the way when buyers are touring your home.
- **De-personalize.** Put away personal photos as well as political and religious items. Think about having your home look "magazine ready". If you wouldn't see the item in a magazine, it shouldn't be on display in the home while you're trying to sell it.

- **Put away excess clothes.** Box up out-of-season clothing, shoes, and accessories to create more space in your closet.
- **Organize your clothes closets.** Arrange clothing based on type and color. It's an easy way to make the space look roomy and organized.

***TIP:** If you're having trouble figuring out what to keep and what to get rid of, invite a good friend over to help out. Often it's easier for someone else to bring a fresh perspective to the situation. There are also plenty of home organizing professionals these days that can work with you to organize each room.*

4. Get an Extra Cleaning

It's a good idea to get some added cleaning done before putting your home on the market. For example, having the windows washed inside and out brings in more light. Also, if you have carpets, consider having them steam cleaned before putting your home on the market.

5. Stage Your Home

Buying a home is such an emotional experience, it's important to create a positive feeling the moment the buyers walk in the door. That's why many real estate agents work with professional stagers who are adept at presenting homes in their best light. Staging is different from decorating. The stager's goal is to create an appealing ambiance that captures the imagination of buyers.

Before putting a home on the market, the stager looks at several aspects of the home:

- Does the décor appeal to a wide number of buyers?
- What can be done to make maximum use of the space?
- How can we show off the home's full potential?

Home staging needs will vary from home to home. Typically this includes paring down and rearranging furniture to make sure the space flows well. If the space flows well this makes the home feel more expansive. The stager may also recommend small changes to the decor, such as switching to lighter window treatments or painting rooms in warm, neutral colors. Also, stagers will often create inviting "vignettes" such as a lounge area by the pool or a cozy sitting area by the fireplace to pique buyers' interest in that lifestyle.

If the house is vacant, the stager will likely recommend renting furniture of slightly higher quality than the home's overall quality. These luxurious touches can make a real difference in how a buyer perceives the home's value.

If you or your realtor are hiring a stager, ask them for before and after photos of homes they've staged, or better yet, see if you can tour a home they've staged to get a sense of their work.

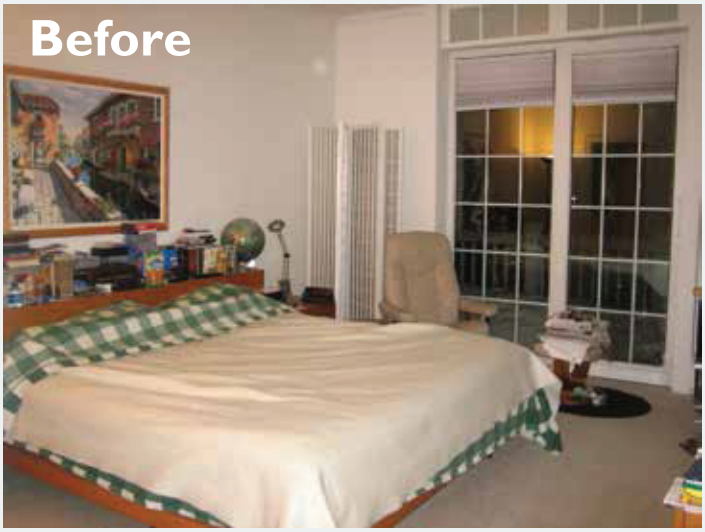
Increasing Your Home's Value

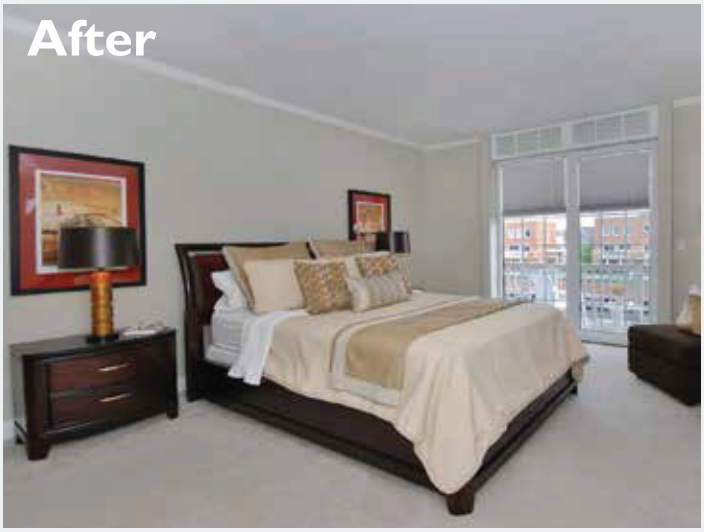
A RECENT SUCCESS STORY | DOES HOME STAGING REALLY PAY?

Earlier this year, a lovely home came on the market in Southborough. It had a terrific lot and great layout, but would have benefited from a bit of freshening up to the interior. However, the homeowners thought spending money on the home was a waste. They figured that if buyers wanted to make updates they'd simply offer a little less for the property. Instead, the house languished on the market for months, even after several price drops.

A few months later, a neighbor with a home of similar age and style decided to sell. Before they listed the house for sale, they consulted with a home stager, who advised them to invest in some minor updates (new paint, carpet, and appliances). The stager then freshened up the look of the home with newer window treatments, bedding, and other little touches. The neighbor invested a little more than $10,000 on updates, and wondered if it would be worth it.

They quickly had an answer. Within days of listing the house, they received multiple strong offers.





6. Enhance Your Curb Appeal

In a competitive real estate market, it's important to delight buyers from the moment they drive up to the house. A bit of attention to the home's exterior can make a remarkable difference in making a great first impression. Having a lush front yard helps build anticipation before buyers even walk in the door. In fact, landscaping can increase your property value by up to 12 percent, according to Virginia Tech horticulturalist Alex Niemiera.

To that end, we've gathered tips from landscape designers from around the country on improving your home's curb appeal.

- **Choose the right mix.** Add plants with differing textures, shapes, and sizes to bring interest to your yard as the seasons change. This way there's always something in bloom.
- **Use bold foliage.** Add a few large splashy plants, and then fill in the area with more affordable smaller greenery.
- **Protect your investment.** Mulch flower beds to retain moisture and minimize weed growth. Also, be sure to know the right watering schedule. Young plantings require more frequent watering to help their roots get established, while mature plantings can be watered deeply but less often.
- **Start early.** If possible, start making landscaping improvements about two to three years before you plan to put your home on the market. This gives plants a chance to become more established. If time is of the essence, however, add annuals in bright colors for the greatest impact.
- **Lead buyers to your door.** Broad leaf evergreens such as boxwoods or carpet cypress are ideal for accentuating a walkway. These low-lying plants add interest to the walkway, without overtaking the area.
- **Take advantage of the architectural elements of the home.** Be sure plants are positioned to augment, but not block attractive exterior features.
- **Add small architectural elements.** A privacy screen or fence corner is an inexpensive way to add a sense of privacy to your lot.
- **Spotlight key features.** Landscape lighting is a nice way to accent the home's distinctive architecture. You might also line the home's walkway with pretty solar lights for a welcoming effect.
- **Add finishing touches.** Urns with fresh flowering plants are especially inviting at the home's entrance.

  There are also little touches you can add to the front of your home to make it even more welcoming. For example:

  - **Install a small decorative fence that's in keeping with the home's architecture.**
  - **Add designer light fixtures that match the style of the home.**
  - **Hang up classic house numbers.**
  - **Paint the front door in an attractive accent color.**

INTERVIEWING REALTORS

Interviewing Realtors

Real estate sites advise homeowners to ask potential realtors questions, but the queries are often so basic (ex: how long they've been in business, how many transactions have you been involved with, etc.) it's hard to get a sense of who the agent really is, how much care they'll give to your home listing, and how creative they are at home marketing. When hiring someone to represent you in selling their home, it's a good idea to delve a little deeper. Here are some good questions to start with:

What's your marketing strategy? Do they have an overarching strategy for how they showcase your home? It's important to know how the agent plans to make your home stand out in the crowd.

Who will you market my home to? You'll want to know how the agent is going to attract those buyers most apt to be interested and qualified to buy your home. For example, if you live in an executive neighborhood, how will they reach buyers who a relocating to the area? If the home would appeal more to young professionals, for example, how will they engage these tech savvy buyers?

What will you do to attract relocating buyers? The Boston area is the eighth most popular destination for relocating professionals, and one of the top three most desirable U.S. cities for foreign real estate investors. What will the agent do to entice buyers from around the world?

How do you attract the attention of online buyers? There are tens of thousands of homes for sale across the state. Explore what the agent will do to make your home stand out.

Can you share examples of your current home marketing? Everything that the realtor creates--from the website to the property brochures--should be in keeping with the high quality of the homes they're selling.

What was your most challenging home sale? Ask potential agents what was the toughest home listing they had and how they overcame those obstacles to sell the house.

How will you keep me informed throughout the process? One of the biggest frustrations home sellers have is listing agents who don't communicate regularly. Find out how the agent will share feedback about home showings, and how they plan to communicate with you through the process. Also, ask if the agent will be working with you directly or if they have an assistant or closing coordinator who'll be managing certain aspects of the sale.

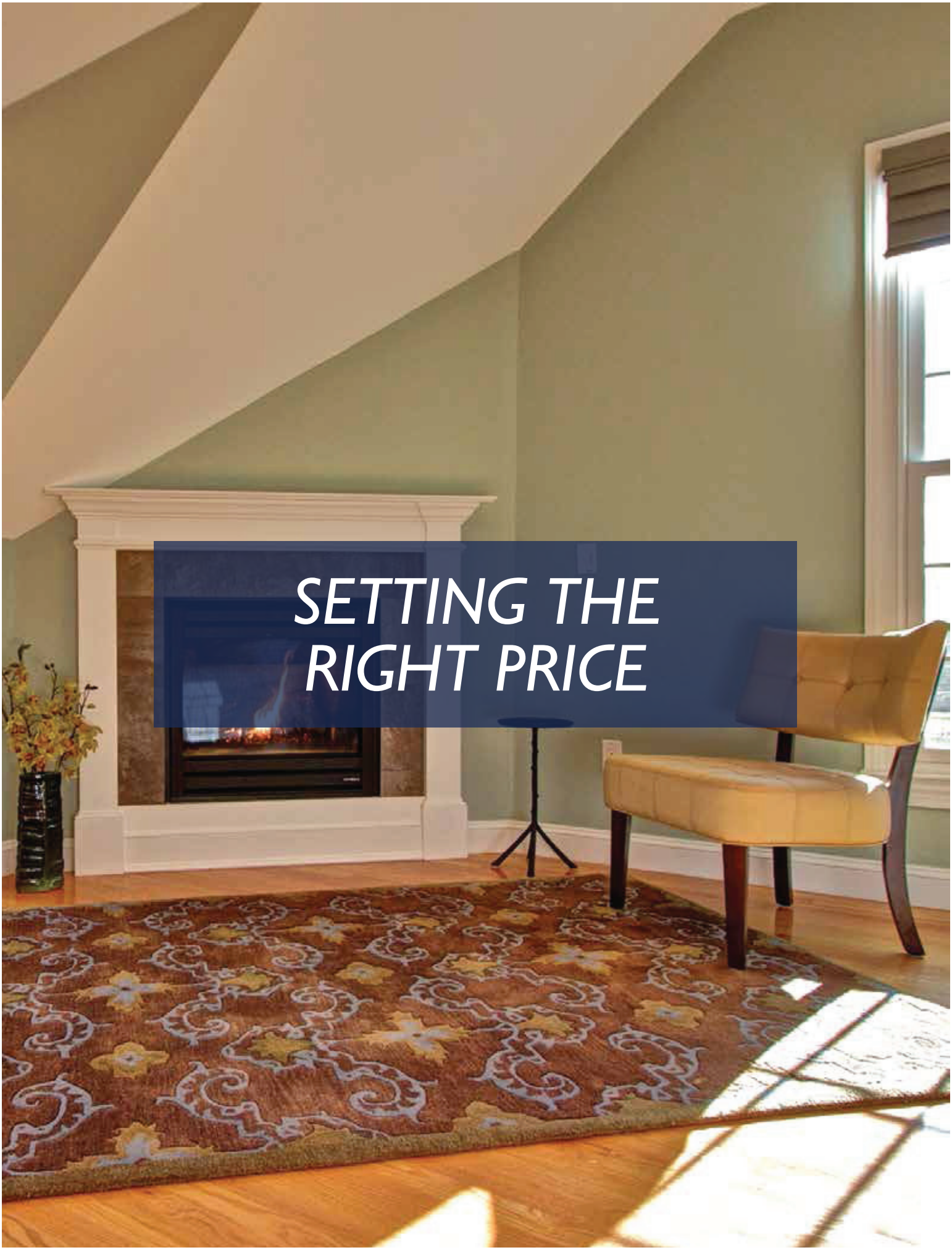
Do you invest in professional photography? Home buyers will spend a mere few seconds viewing each home online. It's critical to capture their imagination instantly or they'll quickly move on to the next house. Ask your realtor if the photos they'll use to market your home will be professionally taken. Professionals well versed in interior photography understand how each shot should be lit and framed to show off the best aspects of each room. Also, ask to see photos of their existing listings to see if they're in keeping with what you're looking for.

Do you work with home stagers? Realtors often partner with home stagers and other professionals to help you prepare your home to look its best. Ask to see before and after photos of their work.

How will you encourage other agents and brokers to show my home? Real estate agents are invited to dozens of broker open houses a week. How will the realtor make your home stand out? Also, talk with them about the pros and cons of holding public open houses.

What things can I do to improve the value of my home? Agents see potential buyers' reactions to homes every day, so they're in a good position to advise you on steps you can take to make your home more appealing.

I'd also highly recommend talking with several of the agent's previous clients to get a sense of their strengths and weaknesses. Hopefully this will help you find an agent who's the right fit.



SETTING THE RIGHT PRICE

Setting The Price

To get a good sense of your home's current market value, ask your listing agent to provide you with details of what comparable homes have sold for in the past six months and what price he/she feels would be appropriate. To do so, they'll size your home up against houses that are in the same or similar neighborhoods, are the same style, and have approximately the same age, size, condition, and amenities.

If you want to be sure about your price, you might also consider investing in an independent appraisal. This appraisal can also be a powerful tool to support your list price.

NOTE: *While sites such as Zillow can be somewhat helpful in determining a rough ballpark value of a home, they typically rely on public records to determine the estimated value. This data often doesn't take into account recent home upgrades or more subjective issues, such as neighborhood or lot type, that may impact the home's value.*

PREPARING FOR SHOWINGS

Preparing for Showings

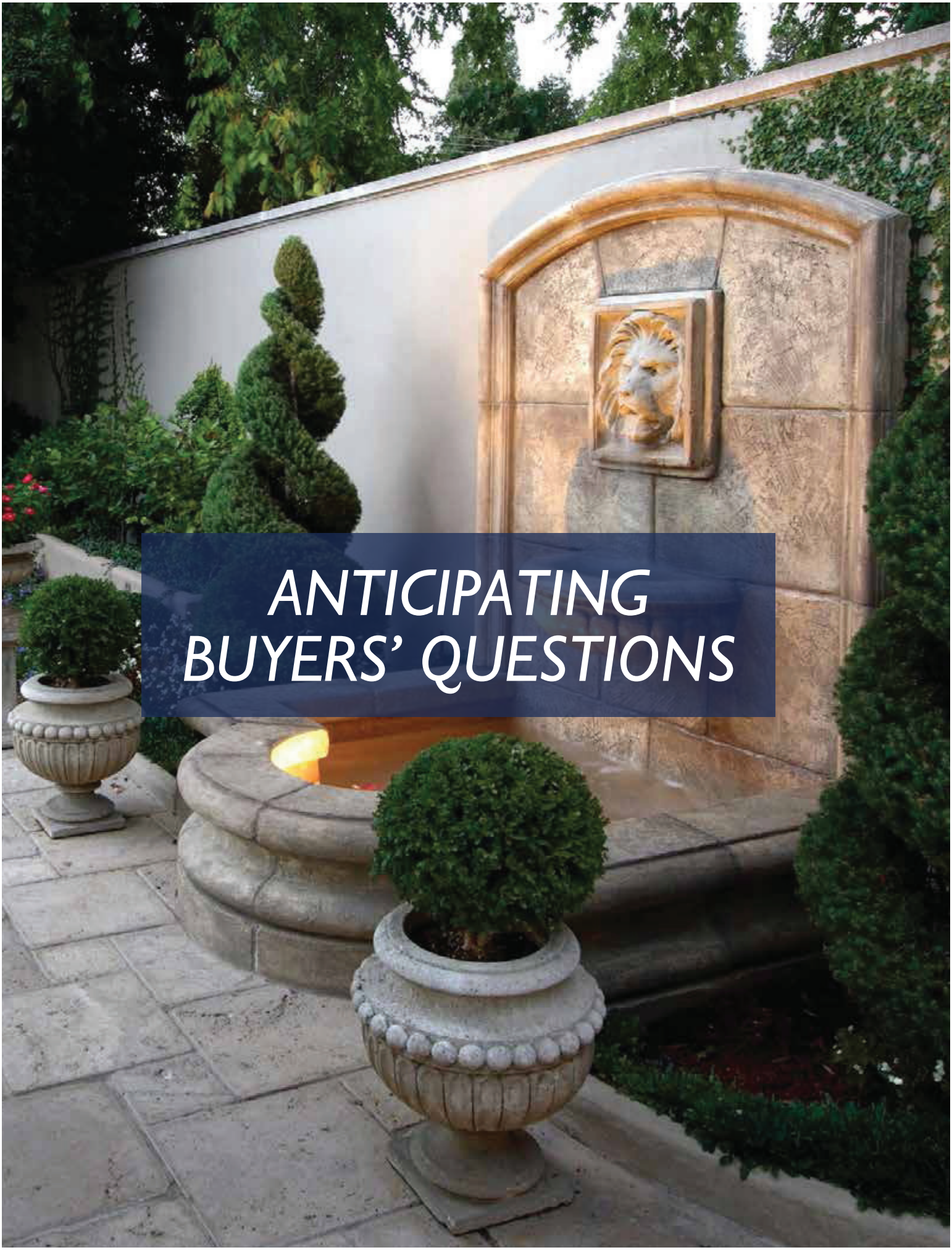
To present your home in the best light, follow these steps prior to showings.

Inside

- Make sure rooms are sparkling clean and tidy.
- Sweep or vacuum floors.
- Clean windows.
- Put out clean towels.
- Make sure bathrooms are extra clean.
- Remove excess items from countertops and coffee tables.
- Make beds.
- Open drapes for maximum natural light.
- Keep home smoke-free while your home is on the market.
- If weather permits, open the windows.
- Clear stairways and hallways of any clutter or tripping hazards.
- Turn off TVs and radio.
- Turn on lights.
- Stow away any personal items, including personal documents and valuables.

Outside

- Keep entrance, driveway, and porch free of clutter (bicycles, garbage cans, etc.)
- Cut the lawn.
- Keep the flower beds and hedges nice and neat.



ANTICIPATING BUYERS' QUESTIONS

Anticipating Buyers' Questions

Once you've selected your realtor and agreed on a plan of action, you'll want to gather information in anticipation of home buyers' questions, including:

- **A list of home upgrades and improvements** (Note: Be sure you have necessary permits in hand for home upgrades.)
- **Copies of recent heating, electric, water, and sewer bills so they know actual costs**
- **Any covenants or deed restrictions** (such as a property easement or conservation restriction)
- **Plot plan**
- **Items that will be included or excluded from the sale**
- **Any required disclosure forms** (Talk with your agent about any material defects of the home that should be disclosed to potential buyers.)
- **Neighborhood details** Highlight anything that makes your neighborhood special. For example, do neighbors get together for cookie exchanges and block parties? Are you nearby to hiking trails? Be sure to talk with your realtor about what makes your neighborhood stand out.
- **School information** Your realtor should provide potential buyers with data about nearby public and private schools. If your public school system is well rated, it's important for your agent to include this information in home marketing materials.

REVIEWING OFFERS

Reviewing Offers

You've received an offer on your home — congratulations! Here are the basics of negotiating the offer.

In Massachusetts, offers to purchase must be made in writing. A potential buyer (or their agent, if they have one) should present your realtor with a signed offer to purchase agreement, an initial "good faith" deposit check (usually $1,000), and a copy of their pre-approval letter from a reputable lender. Once your realtor receives the offer, they'll call or visit with you to review it.

Important points to review:

Talk with your realtor about the details of the offer, including:

- ***Initial offer price.*** What price is the buyer offering and is this their final bid? Are you expecting any other offers at this time?
- ***Offer contingencies.*** Typical contingencies include a home inspection and mortgage commitment. Also, check to see if the offer is contingent on the buyer selling their existing home.
- ***Downpayment.*** How much money is the buyer borrowing on the home?
- ***Closing date.*** What date is the buyer looking to close on the home and are they flexible about this date?

When a buyer makes an offer on a home, they usually give the homeowner a short window of time (often 24 hours) to respond. It's prudent to respond in a timely fashion, and to then ask the same courtesy of the buyer (i.e., that they respond promptly) so you both know fairly quickly if you can come to an agreement.

You may choose to accept their offer, counter with a different price and/or terms, or reject the offer outright. It is very common to have several counter-offers back and forth before settling on a price that both parties can agree to. The time involved with this negotiation process varies. It can be done in a matter of hours, but sometimes stretches over several days. Once you settle on a price and terms, you'll both sign updated offer paperwork outlining what you've agreed to.

STEPS TO SELLING YOUR HOME

Steps To Selling Your Home

Home Inspection

Once you and the buyer have signed offer paperwork, the buyer will schedule a home inspection to be done, typically within seven days. The inspector will look at the roof, siding, windows, gutters, electric and heating systems, basement and attic space, and other areas around the home, and then write up a report outlining their findings. Based on the inspection, the buyer can choose to continue with the purchase, withdraw their offer, or ask for concessions to pay for necessary repairs.

Purchase & Sale Agreement

If you and the buyer agree to these terms, you'll then move forward to having a purchase & sale agreement drafted. You'll want to have a real estate attorney draw up this contract to protect your interests. Your attorney will then review the contract with the buyer's attorney. Once the purchase & sale agreement is finalized, you and the buyer will sign it.

At that point, the buyer will provide an additional deposit (typically 5% of the purchase price, minus the initial $1,000 deposit). These funds are held in an account by your listing agent. If the transaction moves forward, these funds are applied to the home sale. If the home sale falls through, the funds may or may not be returned to the buyer, depending on the circumstances.

Home Appraisal

Once the purchase & sale agreement is signed, the buyer's lender will schedule a time to have an appraisal done of the home. The appraiser will visit the house to determine its value. If the value will support the loan and the buyer meets all of the lender's criteria for loan approval, the lender will then issue a mortgage commitment letter to the buyer stating that they will issue the loan on this particular home.

Title V Inspection

If your home has a private septic system, you'll need to get a title V report validating that the system is in working order before selling the home. In most cases, the inspection must occur within two years prior to the time of the sale. Usually the inspection doesn't require extensive excavation, but this depends on the location of the septic tank and distribution box. For more information about title V inspections, visit www.mass.gov/dep/water/wastewater/inspects.htm.

Smoke Certificate

A few weeks before the closing, contact your local fire department to get a smoke certificate. By law you'll need to have this certificate to sell the home. A representative from the fire department will visit your home, test the smoke and CO2 detectors, and issue you a certificate stating that the systems are in working order.

Steps To Selling Your Home

Final Meter Reading

If your home is connected to a public water system, you'll need to contact the local public works department a week or two before the closing to schedule a final water meter reading.

Home Walkthrough

Typically on the morning of the closing, the buyers will walk through the home to make sure there hasn't been any catastrophic damage to the house, check that any promised repairs have been done, and that all personal belongings have been removed before they take ownership.

Home Closing

The closing is usually scheduled at one of the attorney's offices or at the local Registry of Deeds. Your attorney will be there to walk you through the paperwork to be signed and answer any questions you may have. Your listing agent, the buyer, and their agent and attorney may be at the closing as well. Once all the paperwork is signed, the attorney will record the deed to the home at the Registry of Deeds. (This is referred to as "going on record").

Recording the deed may be completed that day or the following morning. Once the deed is registered, the buyers will receive keys to the home and you'll receive the home sale proceeds.

WHAT ARE THE COSTS OF SELLING A HOME?	TYPICAL COSTS INCLUDE:
BASICS	
Real estate commission:	Generally 5-6% of the home sale price
Tax stamps:	$4.56 dollars per hundred thousand dollars
Title V inspection (if the home has a private septic system):	Roughly $600-900
Real estate attorney:	Roughly $500-1,500, depending on the work needed
Smoke certificate:	Approximately $10-25

Other expenses may include capital gains taxes, as well as a pre-home inspection or home appraisal if you choose to have these done.

ADDITIONAL INFORMATION

Additional Information

For More Information: We invite you to visit our blog at http://blog.realestateinmetrowestboston.com to read more home selling articles, including:

- Six steps to selling your home fast
- Curb appeal tips on any budget
- Home staging tips, beyond the basics
- Preventing a scary home inspection
- Five emerging real estate marketing trends
- Marketing antique homes

TO LEARN MORE

Home sale preparations can vary considerably from home to home. Contact us at 508-904-4967 or leslie.mann@sothebysrealty.com for a customized plan of action for selling your home. We'd be glad to be of assistance!

About Us

With more than 20 years of sales and marketing experience each, we're pleased to offer a sophisticated approach to home marketing. As part of a premier boutique real estate firm, we provide a high level of service and attention to each home listing. From mobile marketing to professional home video, we invest in a wealth of technical and marketing resources to showcase our clients' homes in the best light.

We've also been very successful at gaining press exposure for home listings in the ***Wall Street Journal, Boston Globe Magazine, ABC News, Chronicle TV, AOL Real Estate, EcoLuxe Magazine,*** and other media outlets. As strong proponents of social media marketing, we love developing targeted campaigns to promote clients' homes through Facebook, YouTube, Twitter, and blogs.

Leslie is also a regular contributor to the ***MetroWest Daily News***. You can read her column each Friday in MetroWest Homes.

Read testimonials from our clients at PositiveRelocation.com.

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