

# COSTLY MISTAKES

## *To Avoid When Selling Your Home*

### **A Consumer Awareness Guide to Selling Your Home**

If you're deciding to sell your home, chances are you're caught up in a host of emotions. You may be looking forward to moving into another house or maybe you're encountering some financial difficulties. Maybe you're just heading out of the neighborhood. No matter what your circumstances, there are some definite practical matters that you need to address during this time. Being prepared for the process of selling your home is extremely important and being aware of the pitfalls during this time will help you make the process smoother.

The first decision to keep in mind is whether you'll sell your house yourself (called "FSBO" or "For Sale by Owner") or whether you'll sell it through a Real Estate Agent. There are advantages and drawbacks to either scenario. This guide is ultimately intended to make you aware of some of the mistakes home owners make when selling their home and how you can avoid them. It is also designed to shed light on some of the more important situations you'll encounter when selling your home. It is not intended to be used in place of legal advice. It is always recommended to get the proper legal advice when entering into a real estate contract.

#### **1. Is Your Property Priced Right?**

In the current real estate market, many properties are highly overpriced. Often the Seller asks a price that is too high given current market conditions. Properties wind up getting listed with an Agent anyway for this unrealistic price since some Agents tell the Sellers what they want to hear just to get the listing. This often wastes a lot of the Seller's time, as the price of the property will have to be reduced for it to sell. But what you probably aren't aware of is the more real estate "For Sale" signs seen in a neighborhood, the more likely new Sellers will remember that particular sign and company. They will likely call that company to sell their own home because of all the "For Sale" signs. Basically, all of these signs seen in various neighborhoods turn into FREE ADVERTISING for Real Estate Agents! Did you know that real estate offices often have rewards for Agents with the most properties listed? You don't want your home to be used as free advertising for a particular real estate company - you want your home to be sold fast! Price your home correctly from the start. Overpriced properties that have been on the market for a year are not uncommon.



#### **2. Are You Aware of the Costs Involved in Selling Your Home?**

When you sell your home through a Real Estate Agent, the Seller pays a "Broker's Fee" which is usually 5% to 6% of the sale price of your home. For example, on a \$50,000 home, that turns into \$2,500 to \$3,000 and on a \$100,000 home, that's \$5,000 to \$6,000. That's a lot of money coming out of your pocket. Add to that the time and effort spent on your part to arrange for repeated property "showings" to prospective Buyer clients. Alternatively, if you're selling your home by yourself (FSBO), you will simply need to pay the total settlement costs involved with the sale. These may include notary fees, city and state transfer taxes, Attorney's fees, and other miscellaneous fees depending on how the deal is structured. Selling your home on your own usually requires marketing expenses as well as significant time involved on your part to show your house. You'll also need to know how to qualify a potential Buyer. Being aware of the fees involved in selling your home will enable you to have a more accurate picture of the sale's outcome.

#### **3. Is Your Real Estate Agent Practicing Law?**

If you're considering using a Real Estate Agent, you should be aware that selling houses and writing legal documents are two different areas of expertise. In general, Real Estate Agents are taught to fill in the blanks on pre-printed sales contracts and other legal documents that involve the financing, sales price, special addenda, and other legal aspects of the home sale process. The addenda or "contingency clauses" are especially important since they involve unique aspects of the home sale. These could be repair credits, issues that need to be addressed involving the Seller's Disclosure of the property's condition, zoning, etc. Occasionally these contingency clauses don't completely address the necessary concern or issue within

the real estate transaction. That's when it can be dangerous for the home Seller. Real Estate Agents are not trained to draft contracts, and often write paragraphs in the sales contract that are unclear or do not cover all of the relevant issues. I've personally been involved in deals where the Real Estate Agent drafts a new clause for the purchase contract. This is a dangerous situation as there is a real liability for the Buyer or the Seller for what is written in this "legal document". In actuality, the Real Estate Agent is practicing law without the qualifications of an Attorney and the Buyer or Seller may pay dearly for it.

What does your "liability" mean as the home Seller? It means that you could be held responsible for what the Real Estate Agent writes in the sales contract, even if it was a "mistake". To start with, you could wind up involved in a legal battle in court and it may not get any better for you from there. Be careful when you're involved in a real estate transaction and look for a company that protects YOUR interests.

#### 4. Do You Know How to Qualify a Buyer?

If you're thinking about selling your home yourself (FSBO), do you know how to determine if a potential Buyer is qualified to buy your home? Do you know how to weed out Buyers who think they can afford to buy your home but really can't? Making sure a Buyer is pre-qualified for a mortgage large enough to cover the cost of your home is essential. The following is a brief list of factors to consider. Evaluating the potential Buyer against these factors can help you determine whether or not you are wasting your time negotiating a sale:



- What is the Buyer's debt and credit history? Do they meet the debt-to-income ratios they need to get financing?
- What is the Buyer's current employment history and what is their salary?
- Does the Buyer have a down payment available? How do you know?
- Does the Buyer have another house they need to sell first?
- How fast can the Buyer close the sale?
- Do they have enough money to pay for the closing costs?
- What legal documents will you need in order to complete the sale?
- Is the Buyer serious about buying your home or just wasting your time?

#### 5. Do You and Your Agent Know the Current Real Estate Market?

Since 2001, interest rates have been steadily increasing and it looks like there is no end in sight. As interest rates continue to rise, the housing market will most certainly weaken. Typically, for every full percentage point that interest rates rises on a continuous basis, up to 300,000 fewer people nationwide buy homes. By the end of 2005 the real-estate market is expected to begin to return to what the Real Estate trade group calls a "more balanced market between Buyers and Sellers, involving fewer multiple bids". That means your home probably won't sell as quickly as in the previous three years. In addition, if your home has any defects such as old wallpaper, an outdated kitchen, roof leaks, etc, the home probably won't sell for as much. It also may not sell as quickly as other homes in your neighborhood that are in better condition. In summary, you may not be able to get as much money for your house that you could have in previous years since the real estate market is beginning to slow down.

#### 6. Are You Compromising Your Family's Privacy and Security?

Whether you choose to sell your home yourself or with a Real Estate Agent, there is a certain danger involved in walking people that you do not know through your home. In this day and age, criminals will stop at nothing to get what they want. You may be at risk to a stranger walking through your house pretending to be an interested Buyer but who's really looking at the your windows, the type of door locks you have, or if there is a home security system, etc. Be aware of this, especially when "showing" your house yourself. If you're showing a home on your own, at the very least ask them for a copy of their driver's license and then compare the picture on it to the actual person. Using a Real Estate Agent is an extra layer of protection since they usually pre-qualify potential Buyers and have access to their personal information but nothing is guaranteed. The bottom line is don't compromise your family's safety and security just to sell your home on your own. Keep it as the top priority at all times.

## 7. Do You Know Your Liability Involved in the Sale Process?

There are 10 million lawsuits filed each year in the United States. A number of them result from the sale of real estate, whether you're selling your home yourself or through a Real Estate Agent. Statistics have shown that once you are in the position of the defendant, you're more likely to lose than to win. A simple error on a real estate sales contract or on the Seller's Disclosure or any other document involved with the transaction can result in a Buyer pursuing a lawsuit against a Seller. Most people assume that because you have a Real Estate Agent performing the tasks associated with the sale of your home that you're safe from lawsuits. That's simply not true. YOU are responsible for actions taken by your Agent. One example is when the Buyer discovers a "hidden defect" in the property that the home Seller was completely unaware of. A "hidden defect" is simply something broken or defective in your home that you didn't even know about but the new Buyer may discover. Hidden defects is a topic that has caused problems for many home sellers. As the home Seller, you thought the sale of your home was complete and you've moved on in your life. The next thing you know you're being sued to make a repair on a property that you don't even own anymore. That doesn't seem fair but in many instances, it will be YOUR responsibility as the home Seller to make the repairs. Talk about liability! Once again, look for a company that protects YOUR interests during a real estate transaction.

## Why You Want a Stress-Free and Guaranteed Home Selling System

Selling your home quickly and easily can be an enjoyable event and the process doesn't have to be stressful or confusing. As the home Seller, it is possible to avoid the complexity involved with selling your home. Just imagine if you could:

- Get your money fast and not worry about all the paperwork.
- Save your time and energy so you can spend them in the ways you want.
- Avoid the potential legal liabilities involved in the home selling process.
- Have pre-qualified Buyers ready to buy your home fast.
- Eliminate the Real Estate Agent's sales fees and put more money in your pocket.
- Stop the countless home "showings" to potential Buyers.
- Keep your family's privacy and keep your home secure from strangers.



## 100% No-Risk Guarantee

At **Express Home Sales LLC**, providing you with the quick and easy sale of your home is exactly what we do. We are a family owned company who shares the same priorities and values as our home Seller clients. At **Express Home Sales LLC**, we provide home Sellers with services tailored to favor home Sellers. We give you complete control over the sale of your home so you can immediately eliminate the non-stop "showings" that a Real

Estate Agent would schedule in the attempt to sell your home. We'll offer you pre-screened Buyers who are ready to make an offer on your home within 24 hours and you'll be charged **no fees** from the sale of your home! Sell your home through a Real Estate Agent and you'll be paying on average a 5% to 6% commission and who knows when it will be sold! At **Express Home Sales LLC**, we understand that selling your home can be painful so we make it easy! We'll give you:

- A **Guaranteed offer** on your home within 24 hours of our free consultation or you'll get \$500.
- **No fees** from the sale of your home!
- **More private time** for you and your family.
- **Peace of mind.** Your home is bought "as is", meaning **no legal liabilities** for you!
- We're **always on call** from 7am to 9pm to answer your questions
- A **100% No-Risk Guarantee:** If you're home isn't sold within 10 days at our agreed upon offer price, we'll give you **\$1,000.**

Do you have any unique needs involved in selling your home? Maybe arranging for your home's cleanout or you'd like help with switching over your utilities, or help with coordinating moving vans, or who knows what? Just let us know - we're here to serve you! We depend heavily on referral business so we want you to be absolutely thrilled with all the aspects of our service - we'll stop at nothing less!

## 4 Steps to Make Your Home Sale Quick & Easy

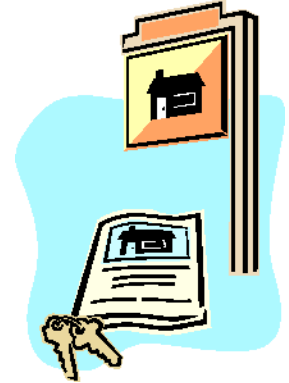
### 1. Make a Commitment to Act.

Selling your home can be a difficult process if you choose to sell it with an Agent or choose to sell it yourself. Being aware of The 7 Costly Mistakes to Avoid when Selling your Home is a great first step in the home selling process. Evaluate all the points stated in this Consumer Guide carefully and apply them to your own unique situation. Once you have done this, make a commitment to act on them.

### 2. List Your Objectives.

Know your desired goals involved when selling your home.

- Do you just want a quick and easy sale of your home?
- Perhaps your main objective is to save time in the process of selling your home? Maybe you're not interested in "showing" your house over and over to prospective Buyers.
- Not interested in dealing with the possible legal problems?
- Maybe you just want your money fast?



Knowing what your main goals are from the sale of your home will help you to choose the right company to sell your home.

### 3. Ask Questions.

Ask the right questions to the companies who may be involved in the process of selling your home. Examples may be:

- How fast do homes in my neighborhood sell?
- Are there any marketing costs that I will have to pay when selling my house?
- What are the fees that your company will charge me?
- What kind of advertising will you do in order to sell my house?
- How many "showings" will I have to do for prospective Buyers when trying to sell my house?
- Who will these people be that are walking through my house?
- Do you offer any guarantees for your services?

Asking questions like these will help you to compare services and to choose the company that best fits your needs.

### 4. When You Find the Right Company, Act.

The information provided in this free Consumer Guide was designed to help you to become aware of some of the pitfalls you could experience when selling your home. These potential disasters could occur when selling your home with a Real Estate Agent or when selling your home by yourself. It was also created to inform you of the potential costs, complexities, and liabilities involved in the process of selling your home. After reading this Consumer Guide and following these four final steps, determine your goals and determine what's most important to you. After creating your plan for selling your home, act on it immediately so you can use what you've learned while it's still fresh in your mind.

*Michael Coraluzzi, the President of Express Home Sales, LLC is widely recognized as a leading expert on real estate sales, financing, and investments. For more information about the services he offers, call toll free (800)-458-0569 or [www.ExpressHomes.info](http://www.ExpressHomes.info) or call him directly at (215) 380-5473. © 2005 Express Home Sales, LLC*