

# Important Steps in the Home Selling Process



The home selling process is the same whether it's a for sale by owner or you're hiring a listing agent. Certain details can vary a little from state to state, but this checklist can serve as a general guide. Just be sure to confer with a local professional for details on specific requirements in your state.

## Choose a Listing Agent

A listing agent<sup>1</sup> represents you and has a fiduciary responsibility to look out for your best interests. Interview agents and meet with at least three of them as you make a decision. Try to hire based on experience.

Ask questions about your listing agreement, including the length of time the home will be listed and the commission you will pay for the agent's services. Will you also be paying the buyer's agent commissions? (Most traditional agreements require it).<sup>2</sup>

You don't have to use a real estate agent to sell your house. You can also sell your home yourself (dubbed an FSBO or for sale by owner) or sell it to an iBuyer. There

are also discount/reduced-fee agents if you're looking for a less hands-on experience.

## **Find Out How Much Your Home Is Worth**

A seller's greatest mistake is often overpricing her home. Keep your price in line with sold homes that have been identified in a comparative market analysis report. Consider whether your market is hot, cold, or neutral and price the home accordingly.

## **Get Your Home Ready for Sale**

Prepare your home for sale by cleaning and decluttering it and improving curb appeal. You might want to consider hiring a professional stager to stage your home for showings or ask your real estate agent for help with this. You can often use your own furniture.

There are also virtual staging apps you can use if you can't afford a full staging. Some of these options include Roomy, VisualStager, and BoxBrownie. These allow you to stage a home digitally, then use the photos in your listings or other marketing material.

Make any necessary repairs and consider a pre-listing, seller's inspection<sup>3</sup> to identify any potential problem areas. If you're selling a home with pets, you might want to make temporary living arrangements for them while you show the house.

Remember, you only get one chance—and sometimes only three seconds or so—to make a great first impression. Make it count.

## **Market Your Home**

You or your agent should identify the selling points of your home and choose the best advertising words to convey them. Approve your agent's marketing campaign or figure out how to advertise your house for sale yourself. Hire a virtual tour company to take quality photographs and put a virtual tour online if possible.

You should also confirm that your listing is posted online. You—or your agent—should saturate the internet and social media with photographs and descriptions of your property. According to stats from the National Association of Realtors, 50% of 2018 homebuyers found their home online.<sup>4</sup>

## **Show Your Home**

You'll get more showings if you let agents use a lockbox or keypad to show your home rather than force them to make appointments. If you are opting for appointments, try to be flexible. Some buyers will want to see the home on weeknights (after work) and all across the weekend. Be as accommodating as possible.

Prepare for an open house, but use this approach sparingly. If you do one, be sure to ask for buyer feedback so you can adjust your price, condition, or marketing campaign accordingly.

## **Receive Purchase Offers and Negotiate**

Be prepared to receive multiple offers if your home is priced right. Don't ignore any offers, even if it seems too low. Negotiate by making a counteroffer.

Consider making a counteroffer that's contingent on you buying a home if market conditions warrant it. And don't be afraid to make a full-price counter offer if your price is competitive and it's backed up by comparable sales.

You can also ask for a kick-out clause or right of first refusal if the buyer's offer is contingent on him selling a home<sup>5</sup>. This ensures you're not waiting around too long if the buyer can't offload their property.

## **Open Escrow and Order Title**

Your agent or transaction coordinator will open escrow and order a title policy for you. Write down the contact information for the closing agent and select a date to close based on when the buyer's loan will fund

Don't forget to ask for a receipt for the buyer's earnest money deposit and option fee, if they've paid one.

## **Schedule an Appraisal**

Clean the house the day before the appraiser arrives. If you receive a low appraisal, ask your agent about alternatives.

You're typically not entitled to receive a copy of the appraisal because you didn't pay for it. If the buyer decides to cancel the contract based on an appraisal, ask your agent or lawyer

about your rights. They'll need an appraisal contingency<sup>6</sup> in the contract in order to pull out.

## **Cooperate With the Home Inspection**

Now get ready for the home inspector. Ask your agent to provide you with a home inspection checklist so you'll know in advance what the inspector will want to see. Prepare the attic and basement for inspection, too. Move stuff away from the walls in the garage, and make sure there's a clear path for the inspector to get through.

If your contract calls for a roof certification, hire a reputable company to conduct the inspection. Keep in mind that states that allow for termite or pest inspections often make these reports a matter of public record. The buyer may also request a sewer inspection if your home is older.

Prepare for the final walk-through inspection with the buyer as well. It usually takes place a few days before or even the morning of closing.

## **Deliver Seller Disclosures**

If you're aware of any other material facts or problems with the property, you must disclose them using a Seller's Disclosure form<sup>7</sup>. Your title company should provide the buyer with the Covenants, Conditions & Restrictions for your community, but additional documentation might be required if you belong to a homeowner's association.

All homes in the U.S. are subject to lead-based paint disclosures, even those built after 1978.

## **Negotiate Requests for Repair**

You don't have to accept a buyer's request to make repairs, but they may back out of the deal if you don't (as long as they have an inspection contingency in place.)

In some cases, a buyer might accept a closing cost credit<sup>9</sup> instead of an actual repair. This essentially lowers the sales price, giving them cash to make the repairs on their own once they take ownership of the property.

You're entitled to a copy of the home inspection report if the buyer requests repairs. Make sure to review the report carefully to see what issues were noted.

## **Ask the Buyer to Release Contingencies**

If the buyer had any contingencies in their contract, ask them to “release” them, meaning affirm that they have been resolved. The buyer isn’t obligated to provide

a contingency release if you don’t demand it. In some states, you might have a right to cancel the contract if the buyer will not provide a release.

## **Sign the Title and Escrow Documents**

Depending on where you’re located, you might sign escrow documents shortly after opening escrow or you’ll sign them nearer to closing. It’s common in some states for everyone to sit around the table—buyers, and sellers—so ask your agent about the norm in your location.

Be sure to bring a valid photo ID.

## **Close Escrow**

Finally, attend your closing appointment, sign the final paperwork, and hand over your keys.

Your property deed, reconveyance, and deed of trust will go into public record and, depending on the buyer’s possession rights, you might be required to move on the day the home closes or even in advance. This should be specified in the contract.

Once all is said and done, the sale proceeds will be wired to your bank account—minus agent commissions, repair credits, and other fees noted on your closing documents.

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