

Listing Your Home

The first step toward putting your home up for sale is to meet with your REALTOR® at your home. This meeting is referred to as the "listing appointment". Beforehand, it's also important to understand "who's who" and how brokers may co-operate to sell your home.

Listing Broker

An individual real estate broker whom the seller hires to represent themselves through a contract called a "listing agreement". The listing Sales Representative is associated with the listing broker. The listing broker is directly paid the listing commission and then splits the commission with the listing Sales Representative.

Selling Broker

An individual who produces a buyer for the property and divides the commission with a listing broker. Such a transaction is considered a "co-operative" sale because the house is listed by one broker and a buyer is provided by a second broker. If the listing broker also produces the buyer, then the listing broker receives both listing and selling sides of the commission.

A Little Homework

Before the listing appointment, both the home seller and the listing Sales Representative have some homework to do. While the home seller collects a list of documents requested by the Sales Representative, the listing Sales Representative studies recent area sales of homes comparable to the seller's, and also comparable homes currently for sale.

Your Home's Special Features

At the listing appointment, the listing Sales Representative will want to inspect the entire home and yard to become familiar with its special features and exact floor plan. You have probably enjoyed living in your home and have been pleased with its many unique features. Your listing Sales Representative will want to tell prospective buyers about the special features of your home and community. Be ready to be specific about schools, churches, daycare, nearby metro, and other desirable community features, as well as home features not readily apparent.

Remember, prospective buyers will be "comparison shopping" and keenly aware of subtle differences in homes for sale in the area. Be sure to tell your listing Sales Representative why yours is special, from any home remodeling to afternoon winter sunshine.

Property Profile Folder

To enable the listing Sales Representative to prepare a 'Highlight Sheet' on the property, the home seller needs to provide a number of documents and information specific to the location and jurisdiction. This 'Highlight Sheet' is often left in the home for the convenience of

prospective selling Sales Representatives. Because the list is long, you can understand why it's best to collect the papers before the listing appointment. These materials may include:

Pay-Off Notice

A letter signed by the home seller and mailed to the lender by the listing broker to notify the lender of the intention to pay off the mortgage in order to minimize prepayment of interest penalties to the seller. (Home seller should provide the broker with the lender's address, loan balance, assumability, years remaining on present mortgage, PITI, and the interest rate, if possible.)

Septic and Well Inspection vlf property is on septic/well, current inspections by local health authorities are required while the home is occupied. The listing Sales Representative will usually arrange for inspection after the contract is approved.

Order Lender Appraisal

Lenders usually require an appraisal to assure that the property is adequate collateral for a loan. Appraisal may be ordered before (paid by seller), but is more often done after an "offer to purchase" is accepted (paid by buyer).

Assessments/Easements

The listing Sales Representative will ask the home seller if any tax assessments or easements exist on the property that must be paid or included in the purchase contract and passed on with the land when sold.

Property Taxes/Condominium Fees

The home seller provides a record of property tax or condominium fee payments which the buyer will reimburse on a prorated share to home seller at settlement.

Inspections

Many lenders of new mortgages may require an inspection certificate that shows the house is free of major defects.

The home seller should also provide a record of the past 12 months' utility bills, including gas, electric, sewer, water, and trash where applicable. Most buyers will want to know the history of utility costs.

Helpful Documents

If possible, the home seller should provide the listing Sales Representative with the deed, house location survey, condominium bylaws or home owners association documents, subdivision map, house floor plan, previous title search abstracts, legal description of property (subdivision, section and lot), warranties on major systems or Home Owners Warranty, if still in effect, and copy of home owners insurance policy for endorsement in purchase contract.

"What Conveys?"

In anticipation of a buyer's offer, the home seller must be ready to supply the listing Sales Representative with a specific list of the personal property that is included in the real estate property for sale. Examples of items to "convey" may include: draperies, drapery rods, remaining heating oil, firewood, washer, dryer, refrigerator, stove, microwave, disposal, swimming pool chemicals, awnings, storm doors and windows, screens, blinds, shutters, window air conditioner, etc. Home seller should tag or remove items which do not convey.

When the home seller is ready to put the home on the market, the listing agreement is filled out indicating a specific period of time the agreement is in effect ("listing period"), and signed by the seller. You've now hired a listing broker.

Comparative Market Analysis

Maximizing Market Value

Preparing a Comparative Market Analysis (CMA) is an important tool Sales Representatives use to help you earn the highest possible price for your home. A CMA involves looking at the public records of real estate business in your community to better understand market conditions.

There are four steps your Sales Representative will take in preparing your home's CMA:

1. Your REALTOR® will consider the amount paid for at least 3 recently sold homes in your community. These homes will be comparable in size to yours and together comprise a factual record of what buyers will pay.
2. Your REALTOR® will then consider the asking prices of at least 3 presently listed homes in your community. Because these homes are similar to yours, these homes will be the benchmarks against which your home will be priced.
3. Your REALTOR® will then consider the asking prices of at least 3 homes in your community that went unsold for at least 90 days. Similar to your home, these homes illustrate the dangers of overpricing your property.
4. Finally, your REALTOR® will use all the price information gathered to arrive at an ideal asking price for your home.