

A COMPLETE GUIDE TO SELLING YOUR OWN HOME:

FOR SALE BY OWNER

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**FOR SALE
BY OWNER**



Sunflower
Real Estate

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WHY I AM PROVIDING THIS GUIDE.

It probably seems strange that I want to help you sell your home without me, since I am a real estate agent. You're probably thinking the must be a catch...

The truth is I understand your position. I completely understand trying to save money by selling your own home. I do some things on *my* own, and don't hire a professional (when I can), in order to save some money. Sometimes I do it as good or better than someone I could've hired. Sometimes I struggle and get it done OK enough. And sometimes, I get into the middle of it and end up hiring someone anyway.

Let's use painting my house, for example...

Let's say I decided to paint the outside of my house on my own, and a professional painter saw me trying. And, instead of just driving on by and letting me be, every chance he got he kept coming up and annoying me...

"Hey, you want me to paint your house for you? I can totally do a better job than you can... There's no way you can do as good a job as me. You're gonna make mistakes. You should let me do that for you."

I'd be thinking, if not saying, "Get out of my face! Just you watch me...I'll get this done on my own."

Now, *on the other hand*, if a painter saw me out there and came up and said, "Hey, here's a few things you may not think about that you only know by doing a whole lot of painting. I hope it helps you out!" Well, if things didn't go so well for me, or I was sick of doing it on my own, or whatever, *that's* the painter I'd be calling.

Especially if the tips and tricks he shared with me showed me that he really knew his trade. That's all I'm doing here...



In the course of trying to sell your home on your own, you'll find many agents will try and convince you that you can't possibly succeed, or that you're going to make costly mistakes. Or otherwise try and scare you, or trick you into working with them. The truth is, its definitely possible to do it if you are willing to put in the time and effort required, though it may take more than you expect. I want to help you give selling on your own the best try possible. And, if you give it your best shot, and you still don't have any luck, sure, I hope it leads to doing business with you. But, I want to have earned that opportunity and give you a preview that I really know my trade.

But for now, I wish you luck on selling your home on your own! And I truly hope this guide gives you some in-between-the-lines insight you're not going to find anywhere else. This is beyond the basic baloney some agents give people in your shoes.

Also, if you have any questions during the course of trying to sell your house on your own, or about the information in this guide, please feel free to reach out to me!

You can find all my contact information on the last page.

PRICING YOUR HOME.

If you have made the decision to sell your own home, it is obvious you want to get the most out of selling your home that you can.

You most likely want to sell it for as high a price as possible, too. Everybody does. But most people don't. Regardless of whether they sell on their own, or with a real estate agent.

The number one reason this doesn't occur is overpricing.



Nothing gets in the way of selling a home for top dollar more than overpricing a home. It leads to:

- Losing the attention of buyers when it matters most – the first few weeks your house is on the market.
- A lack of showings.
- Buyers who do come to see it, often just disappear and end up buying houses that are priced appropriately.
- Longer days on market.
- The house becomes “stale”, and buyers perceive it as there’s something wrong with the house since it is on the market so long.

This doesn't mean you need to underprice your home, or “give it away”. You simply need to know and be realistic about what your home is truly worth in the market and be careful not to price ahead of the market. It is always better to err on the side of underpricing.

The best way to do that is to analyze the [recent sale prices of homes](#) like yours in the area. Notice how I put emphasis what things have recently sold for, not what other houses are listed for on the market currently. Ideally you want to know what prices have sold for in the last 6 months.

PUTTING YOUR HOUSE “ON THE MARKET”.

You’ve probably heard the term, “I’m putting my house on the market.” Or, “That house will hit the market next Sunday.”

But, what exactly is “the market”? It isn’t like there’s one big mall every buyer goes to in order to shop for a house. If you’re like most homeowners, you do want every buyer in the market to know your house is for sale.

Well, there kind of is one big mall where every buyer goes to look for a house...the Internet! For all intents and purposes, that is now “the market” when it comes to real estate. But the Internet is a big place. And there’s tons of sites a buyer may, or may not look at when looking for a house. So, how do you get your house on pretty much every real estate site a buyer could stumble upon?

By using what’s called “IDX”, or Internet Data Exchange. That will feed a real estate listing to more real estate sites than you can find. A listing is fed to any site that belongs to the IDX feed.

However, that system is tied to the “MLS” systems, or Multiple Listing Systems, which are used by real estate brokers to share their listings. There are some “discount brokerages” that will list your home for a fee.



BEWARE!

Think twice about listing anywhere, or buying into any offer a site makes to put you in the local MLS. Here are 4 reasons why you shouldn’t list your home on the MLS when you’re selling your home on your own.

1. **You’re going to have to offer a buyer’s agent a commission.** While legally there is no “normal” or expected commission percentage, you need to know what other listings are offering to buyer’s agents. And, it would make sense to be competitive. So, find out what that would be in your area. Here in Wichita, it is pretty standard to offer 3% with some offering 2.5%, I have not personally seen anything lower.
2. You’re going to have to be willing to **deal with buyers who are working with a buyer’s agent.**
3. Regardless of how smart you are, or how good of a negotiator you are, **you’re putting yourself in the position of having to deal with someone who knows a lot about selling real estate and has access to a lot more information than you.** This could cost you, without you ever even realizing it. It’s essentially like walking into court and representing yourself when your opponent has a skilled attorney.
4. **Your house will have a digital record.** As soon as you list on the MLS, your house will be recorded as having been on the market. It will show how long it was on the market. It will show how many times that you list it and relist it. Doesn’t sound that bad maybe, but a skilled buyer’s agent looks at this information, and it affects how buyers and agents perceive your home.

For now, your best bet at getting the eyeballs of every buyer in the market is to list your house on a website devoted to people selling their house on their own. You’ll get the attention of buyers who look at those sites at least. But not all buyers look at them.

So, make sure you list your house on Zillow.com and Trulia.com (which is actually owned by Zillow). These are free for you to post your listing on, and most buyers look at these sites. You can probably find other sites that allow you a free listing, but those are the two biggies right now.

BE A TRUE FSBO.

It's tempting to put your house on the MLS. Everybody knows that's the greatest exposure you can get for your house when it's on the market (88% of homes are sold through brokerages using the MLS).

If the Internet is a mall where buyers all go to find the home of their dreams, then the MLS is the department store *within* the mall that every home buyer will definitely at least check out.

Usually because they're all working with a real estate agent to some degree. Most buyers will use a buyer's real estate agent, because (to them at least) the services of a real estate agent are essentially "free". So, why *wouldn't* they be working with a real estate agent?!

Sure, they might also be on the lookout for a house for sale by owner, but not every buyer is. But every buyer *is* looking at houses on the market listed through real estate agents.

So, yes, it's appealing to most "FSBOs" to list their home on the MLS for one of those reduced fees, limited service listings. But the minute they do that, they're getting entirely away from the whole concept of selling on their own...to save as much money, and make as much money as possible. And, there's plenty of people who will get in your ear trying to convince you that you should list your house on the MLS. Maybe you should. At some point. But not while you are for sale by owner.

DON'T GET STUCK HALFWAY



Stay true to your intentions. Give it the best effort and try you can. And if it doesn't work out in a reasonable amount of time, sure, *then* list it on the MLS. But, when and if you do, list it with a real estate agent who will truly represent you and your interests. Not someone who's basically a floating salesperson in a mall trying to peddle some wares. Someone who will put your home on the MLS and then call it good. Rather, an agent who's more like the head of security in your store, making sure nobody takes anything they shouldn't from you.

There shouldn't be any middle ground. Sell your house on your own, and keep agents out of it entirely by staying away from the MLS. Or, get yourself into the store within the mall, and hire someone to protect your interests. Otherwise, you're just asking to lose something of value along the way.

DON'T FORGET FAIR HOUSING LAWS!!!!

Most people know better than to discriminate nowadays. However, many people aren't entirely aware of the fact that they may be doing something discriminatory when it comes to selling a house. How you word something in an email or in your advertising can easily get you into legal trouble.

There are a tremendous amount of rules, regulations, laws, and acts a homeowner needs to abide by when selling their home. There is way too much to cover in this guide, and they should be read as they are written, not summarized.

My suggestion? Visit HUD.org and type "fair housing" into the search bar. It's not the fun kind of reading, but it's important if you want to avoid a potential lawsuit. Better to take the time to learn what not to do than to learn the hard way through a lawsuit.



The bottom line is this... Don't discriminate. In any way. With anybody. Treat people the way you would want to be treated, if you were that person. Put yourself in their shoes.

But it can be tricky, since we all live in our own shoes, and might not necessarily think something would be considered offensive or discriminatory. So, make sure you know all of the protected classes covered by these laws.

For example, as it might sound, using the word "family" in your advertising, marketing, or description of your home could be taken as discriminatory.

So, for instance, you can't say, "Located in a great family neighborhood!" Or, "Perfect for your large family."

That's just *one* example. Don't even mention "perfect for your kids to play out back". Probably should watch out for saying "you can walk to the park"...because some people can't walk.

Might sound like that's being over-sensitive and cautious, but it's not when it comes to advertising and marketing your house for sale. When you're writing anything about your house, stick to the facts about the house, without being too bland or basic. Use the facts and features of your home to paint a picture, but a picture that nobody could take offense with.

DISCLOSE EVERYTHING!

You will need to provide disclosures for any interested buyers. You'll want to give them your disclosures prior to them making an offer.

Basically put, disclosures of any kind are how you let the buyer know about any problems your house currently has...or *had* and you have remedied.

Don't lie or hide anything. That can easily come back to bite you. So, if in doubt, disclose a problem. In other words, if you think to yourself, "Should I tell a buyer about this issue?" The answer is yes. Tell the buyer.

Telling buyers about issues doesn't necessarily mean they'll get scared away and not buy the house. Nor does it necessarily mean they'll expect you to fix it, give them a credit to get it fixed, or accept a lower price for your home. It might mean any one of those things, but not necessarily.

However, if you don't disclose something, and they find out later on about the issue, and figure out that you knew it was a problem...then you are going to have a different kind of problem on your hands.



Don't get sued! Disclose everything and anything that is an issue with your house.

SHOWING YOUR HOME.

This might not seem like something you need to think much about. A buyer schedules an appointment, they show up, and you show them around the house. How hard could that be?

Well, many homeowners have a tendency to “over”-show the house.

- They hover over the buyer.
- They over -emphasize features of the house that mean little to the buyer.
- They over -sell the buyer...pushing too much, and creating false urgency.

One of the main reasons many buyers avoid houses that are for sale by owner, is simply because it can be awkward. Few people want to be rude, or hurt someone’s feelings. And when you look at a house with the owner of the house, if you don’t like it, it can be a bit awkward. (So, expect buyers to sound more interested than they are at times. Don’t read into how nice they say the house is.)

The truth is, most buyers won’t want your house, for one reason or another. That doesn’t matter. They don’t matter. The only one(s) that matter, are the ones who absolutely want your house. Nobody else will be sold on wanting it. But those who want your house will let you know without even having to push or ask.

So, start from the very beginning. Give your buyer space. Don’t follow them every step of the way. Begin by saying you want to give them space to view the home on their own, and once they’re done, you can ask if they noticed a few key features they may have overlooked. Walking around and pointing out every little detail is tedious to any buyer. And it won’t sell anyone on loving your house, if they don’t anyway. So, don’t. Just don’t.

*****Pro tip:** If you do walk through the house with them, make sure you are behind them. Never walk with your back turned to a buyer, especially into a room with no escape. Not that most people are out to do harm, but there are some people who are, Stay safe and make sure someone knows where you are and what you are doing.***



To sum it up:

- Give them space
- Be friendly, but don’t insist on making conversation the whole time.
- Let them talk and ask questions. Answer them honestly, but try not to divulge too much about why you are moving, or any motivations you might have.
- If the buyer has interest, they will let you know. Don’t push, or try and “close the deal”. Let them come to you and show you they are motivated. Otherwise, you look and sound desperate, and you lose leverage.
- Be safe!

OPEN HOUSES.

Statistically speaking an open house is about 1% likely to result in the sale of a house. Normally they're not all that useful. At least to get a house sold. They're useful for agents to meet new potential clients who come through to see a house. They're useful in the sense that many owners expect their agent to hold open houses. And, occasionally, an agent does sell a house to a buyer who comes through.

That's a real estate agent's profession and livelihood. So, whether they happen to sell very few open houses, or they are an agent who happens to sell a lot of the houses they hold open (and some agents do), that's what they do to earn a living and build a career. But, for *your* purposes, is it really all that useful to sit home and wait around to let people into your house on a Sunday for 4 hours? Not likely.

You'll probably get some people swing by. But many might just be nosy. Many are likely not even ready or able to buy yet. Also, a buyer who truly wants to see your house, and is a serious, qualified buyer, will make the effort to schedule a time to come see your home even if you don't have an open house. But then again, maybe, just maybe, your perfect buyer won't feel comfortable scheduling to see your home by appointment, and would like the opportunity to see your house without feeling obligated.

The point is, there's no absolute yes or no answer to this. But at least if you're going to hold an open house, now you have a proper perspective on how much success to expect. Don't be discouraged if you hold your house open and have very few visitors, and don't get offers from any of them.



Here are some tips if you do decide to hold an open house. Remember back to the section on not “over”-showing your home? In term of “showing” buyers the house, it's pretty much the same approach here. Here are a few other things you might want to consider doing:

- Make sure to have signs indicating your house is “open”. You may want to have signs all around town directing people to your house. The more signs the better.
- You can advertise in local papers, but that might be a waste of money. But do make sure you indicate that you're having an open house on any online sites your house appears on.
- Perhaps have some refreshments available in the kitchen.
- Have flyers or brochures of the house available, and hand them to the people as they walk in the door. (Or put them by the refreshments.)

Be safe:

- Make sure you have more than one person home when you have an open house. (Or any showings for that matter!)
- Hide and secure all valuables. (Including prescription drugs.)
- Ask people to sign in as they enter. (This will also give you their contact information so you can follow up with them after the open house.)
- If you're really cautious, you might want to ask to see a copy of their driver's license. (Do know that this may come across as a bit much to ask, but safety is important!)
- If you do ask for proof of identity, make sure to ask every single person for the same info and insist upon it. If you do not, someone could claim that you were discriminatory, or profiling them.

WORKING WITH A BUYER'S AGENT.

“I might have a buyer for your house...” is the real estate agent’s equivalent to a cheesy pick-up line at a bar. But it’s meant to break the ice with a “FSBO”.

As mentioned earlier, the key word in that sentence is “might”. If the agent “might” have a buyer, you should probably chalk that up to “don’t”. On the other hand, you may hear from agents who sincerely *do* have a buyer that wants to see your house.

So, should you agree to work with an agent who has a buyer for your house, or not? That’s your call. Here are a few thoughts to help you figure it out:

1. You can’t have your cake and eat it too. If you want the buyer to see your house, you can’t say, “But I’m not going to pay you a commission.” It doesn’t work that way. You will most likely need to agree to pay the buyer’s agent a commission. That amount is negotiable, but do be sensitive to what they are expecting to earn when they sell this client any other house on the market.

COMPENSATION



2. You could just say no, and hope the buyer comes to you directly. But, some buyers are extremely uncomfortable buying a home without the help of their agent. And, some are just plain loyal, and won’t go see your house if their agent can’t be involved.
3. If you do agree to allow this, have your conversations, and hammer out your agreement with the buyer’s agent as to compensation and what they will and won’t handle during the process *before* they show the house. Make sure to do it in writing.
4. Think about whether a “bird in hand” is better than waiting for an unrepresented buyer to come along. Is it worth the amount you have to pay the agent, to get a good buyer under contract right now?
5. Be cautious. Now you are dealing with a professional on the other end. Are you knowledgeable and skilled enough to represent yourself? Maybe you should hire your own agent to assist you, if this is the route you’re going.
6. If you *are* going this route, would it maybe make sense to hire an agent to represent you and put you on the formal real estate market and open it up to *all* buyers represented by buyer’s agents? Perhaps being on the open market will bring you *more* qualified buyers than just this one. It could result in an increase in competition.

All just food for thought. There is no “right” or “wrong” answer. But, you should give it more thought than just saying an outright “take a hike”, or “sure, bring your buyer!”.

PAY ATTENTION TO THE MARKET.

Real estate markets go up and down, but not overnight. So, during the time you're trying to sell your home, it isn't likely the market will crash, or that values will increase significantly. Things do change in terms of your competition from day to day, week to week, month to month. So you should be aware and on top of everything that happens within your local market and price range.



Here are a few things you want to monitor at least weekly:

- Have any new listings come on the market?
- If so, how is your price compared to theirs?
- Is the new listing as good, not as good, or better of a choice for a buyer?
- Did any homes on the market go under contract?
- If so, why did that house go under contract? Why did the buyer choose that house and not yours?
- If not, is it just a slow market, or are you and all other homes on the market priced too high in the eyes of the current buyers?
- Did any houses on the market lower their price? If so, should you consider lowering yours in order to compete, or stay put and wait for that one to sell and no longer be an option for buyers?
- Did any houses close in the past week?
- If so, what did they actually sell for? Was the sales price in line with the sales prices you based your asking price on? Or is it lower and will affect how your home when it's time for the appraisal process?

This isn't the easiest thing to accomplish, but you may be able to do it by simply following the online listings of your competition. But most real estate sites aren't meant for this type of research. They're primarily marketing platforms to expose homes that are for sale to the largest audience...not for analytical research.

One of the perks of being a real estate agent is easy access to this type of data for those who know how to use it. This is one of the services a great real estate agent should be able to provide to you if you ever do decide to list with an agent.

MAKE SURE YOUR BUYER / PROSPECT IS QUALIFIED

Notice that the heading says “buyer / prospect”. They are two different things. For the sake of what you are trying to accomplish, a **prospect** is someone who is interested in your home and wants to come see it. A **buyer** is the person who is serious enough to be making you an offer you might accept.

So, what do we mean by “qualified”? You really want to make sure that the people you are showing your home to are qualified to even buy your home. Otherwise, what’s the point in even letting them come see your home?

So, you should make sure to ask anybody who wants to come see your home has been “qualified”, or “pre-approved” for a mortgage through a reputable lender already. Also, ask them to send you their pre-qualification letter before showing them the house.

This sounds pushy, but it really isn’t. Any good real estate agent would never take an unqualified buyer out to see homes (I don’t). So, why should *you* let them in your house?

Now, when asked for this, you will likely meet resistance from some people. If that’s the case, you should sincerely question why they are so resistant. This is not too much to ask of someone.

But expect people to say something along the lines of, “I’m sure I can afford it, I’ll get pre-approved once I see your house...if I even like it. What’s the point of doing it before I know if I even want to buy it?”

Again, you should just decline to show them your house. Just know you will “lose” people this way. You will find that many of your prospects just say forget it, and don’t provide you with a pre-approval, and never call again. This often leads to people selling their own home to cave in and allow people to just come see the house without proof of funds, or a pre-approval. If you find yourself doing this, and the prospect becomes a buyer and makes an offer you are considering, at that point you must insist that they provide you with a pre-approval letter from a reputable lender.



There is no use moving forward until you see a pre-qualification, pre-approval, or some sort of proof of funds. You don’t want to get your home under contract only to find the buyer is not able to actually purchase your home.

NEGOTIATION.

Negotiating is as much an art as it is a science. Some people are just naturally good at it. Most are not. If you're good at it, and truly understand the ins and outs, you're in a better position. But if you're not, you might want to spend some time reading a few books on the subject. It makes sense, since the amount of money involved in this is likely as much money as you ever deal with in your life (for most people). Some books you might consider reading are:

- *Getting to Yes* by Roger Fisher and William Ury
- *Never Split the Difference* by Chris Voss
- *The Book on Negotiating Real Estate* by J. Scott, Mark Ferguson, and Carol Scott

Once you have a buyer interested in your home, you should keep one thing in mind. Don't be desperate! A good negotiator and a good buyer's agent can smell it if you really need your house sold now and they will milk it for all they can. A buyer who truly wants your house doesn't need to be "sold" or pushed. It's almost the opposite...they're more nervous about "losing" the house, than you should be about scaring them away. Don't be scared or nervous. Stand your ground. You'll be surprised at how much more you can get out of a buyer just by knowing this.

Even if you consider yourself a great negotiator in your own field or profession, real estate can be an entirely different thing altogether. Negotiating in real estate isn't just:

- Buyer makes an offer
- You counter their offer
- They come back a little bit higher
- You play "tough" and come down a little bit
- They play "tough" back at you, and come back a bit higher
- Then eventually you meet in the middle..."split the difference" as they say.

Sure, it can and does work that way. But it isn't all about price! It's about so many other terms of the contract. It's about setting the tone of the deal. It's about keeping the buyer honest from the moment you sign an agreement all the way to the closing table. And this all begins from moment one. Negotiation is about information. The more information you have on a situation and the better you understand how to leverage that information the stronger your position will be.

Negotiation occurs throughout the entire process of selling your home. That first phone call or email back and forth to set up that first showing. It is setting the tone and your posture from minute one. Everybody has a different personality and style. So there's no way to teach you exactly how to negotiate. But do give it enough time and consideration before you're actually negotiating. If you don't have a lot of confidence in your ability to negotiate, you may just want to hire an agent. Because, as we mentioned, this is a large amount of money we're talking about. If you want to make sure you have an excellent negotiator for an agent make sure they have the Real Estate Negotiation Expert (RENE) certification.

RENE

Real Estate
NEGOTIATION EXPERT

BUYER'S REMORSE.

Once you've received and negotiated an offer with a buyer, you'd think the hard part is over. But it's just beginning, and the first hurdle you need to deal with is "buyer's remorse". People tend to regret decisions and purchases. This is a natural and very common psychological reaction to a major life changing event. Real estate is easily the largest purchase in most people's lives and so affects many buyer's in this way.

It isn't uncommon for a buyer to get cold feet not too long after the thrill of the chase is over. Once a buyer feels the security of having "won", and are in position to get what they've been going after, they start to wonder if they've made a mistake:

- "Did I pay too much?"
- "What if this isn't *the* house for me?"
- "What if a better house comes on the market?"

Buyer's remorse comes into the picture pretty much right after the deal has been agreed upon. Usually within the first few days. The only thing you can do is try to prevent it.

PREVENTION



When working as a buyer's agent I make sure to advise my clients this will likely occur. Having been forewarned the effects can be lessened or even nullified. In your situation this is a little more difficult.

As with so many things in real estate sales, there is no one perfect way to do this. Every buyer is different. Every situation is different. The most universal solution is to (*subtly*) instill within the buyer that they are getting a good deal, and that they are fortunate to have been chosen as the buyer, regardless of whether there was any other buyer interested in the house.

They need to feel that they could potentially lose the deal and the house, if they don't mind their P's and Q's. But, you need to do this without sounding too deliberate. And you don't lie or fabricate a false sense of other interest. It is more about creating the notion that someone else could have gotten the house...but they are the lucky one to be getting it. And, at such a good price.

DON'T DO EVERYTHING BY YOURSELF!

While you can certainly try to sell your home without the assistance and skills of a real estate agent, there are certain parts of the process that will require other people and companies to get involved, and cost you some (or a lot) of money. These are some of the things normally taken care of by a real estate agent:

- Writing a contract is illegal if you are not licensed to do so. You can use the standard real estate contract provided by the state or you can use one written by an attorney. Make sure you carefully read the contract and contact an attorney if there is anything you don't understand, even a real estate agent can't interpret a contract; they can only point out what it says and reiterate those things that are most important. Ensure there is an amount of "earnest money" put down by the buyer to protect you. It is important the buyer has skin in the game.
- Making sure the buyer's finances are in order is very important, and you will need to work directly with the buyer's lender to help them get the financing approved.
- Handling the escrow, title searches, and mortgage paperwork isn't something most homeowners are qualified to do. There needs to be an objective third-party in order for both sides to be protected. For this you will need an escrow and title company to assist you.



It's a good idea to start searching and shopping for your title company, escrow company, and / or attorney, ***before*** you actually have a buyer and a contract. So, make sure you know your local choices, and line them up before you have that deal in hand.

DEALING WITH INSPECTIONS AND APPRAISALS.

Real estate is very different than other negotiations. Once you have made an agreement on price in your contract it doesn't normally stay agreed to. Negotiations can be and often will be renegotiated after inspection and appraisals are conducted.

Like most homeowners you will want the buyer to accept your home "as-is". This is ideal, but unlikely to happen. Any savvy buyer will have a home inspection done. Inevitably, the home inspector will find some things that are wrong with your house.

Now, your buyer shouldn't be going after "nit-picky" items, but that can be a subjective term. What you see as nit-picky, your buyer may see as a much bigger problem. **Expect to concede to at least some items.**

There are a few ways to address issues brought up by the inspection:

- You can say no, you won't address the issue. And if they agree, then the issue is resolved.
- You can agree to get a second opinion. That may just lead to more debate and negotiation, though. Unless the second party gives valid proof that there is not truly an issue.
- You can agree to hire a professional to fix, service, or replace whatever the issue is.
- You can agree upon a fair credit to the buyer, and let them fix it themselves once they close on the house.

No matter what you agree to with your buyer, make sure to put in writing, and in detail. Do not be vague. If it's not in writing, it doesn't exist. And this leads to problems down the road.

Once you've made an agreement on inspection results you still have one more major obstacle, the appraisal. Because your buyer will most likely be getting a mortgage, the lender will need to make sure the home they are buying is worth what the buyer is willing to pay for it. (Even a cash buyer may require an appraisal in the terms of a deal.)



An appraiser is a third-party who will come in and look at your home, write a report, and give an opinion of value on your house. That may very well be the amount you and your buyer agreed upon, or even a little bit more. But, it could also "come in low".

Ask any real estate agent how they feel about appraisals and appraisers, and you'll probably see some tears form in their eyes, and maybe a nervous tic. Appraisers often come in with a lower appraisal than the house is worth (this is because lenders prefer to be on the conservative side). It's hard to argue with them and persuade them to change their stance. If your appraisal comes in low, you can:

- Contest it, and provide the appraiser with better comparable sales (i.e., "comps"). But it isn't easy or a guarantee that the appraiser will amend it.
- Lower your sales price to match the appraised amount.
- Get the buyer to agree to make up the difference by putting more money down on the deal. (Which is often difficult or impossible for many buyers to do.)
- Part ways, and hope that the appraisal on any future deal you strike doesn't come in low as well.

Pro tip: When the appraiser comes to your house, have "comps" ready to give him or her for their consideration. But be careful not to be too pushy, or seem like you're asking them to appraise it for what you want it to appraise for. That doesn't go over well, and could actually have an opposite effect.

STAY ON TOP OF THE MORTGAGE PROCESS.

Earlier we spoke about the need to make sure that your buyer is pre-approved. The pre-approval is a good indication that your buyer should be fine, and will get their mortgage. But that doesn't mean they will actually get their mortgage approved, or that it will be smooth and easy. In fact, it will more than likely be a difficult and stressful process.

The mortgage process is easily one of the most aggravating parts of the process. And the lenders almost always take longer to get things done than they should based upon contract dates and timelines. However, you and your buyer are pretty much at their mercy. When real estate agents are involved in the sale of a home, both the buyer's agent and the seller's agent make it their business to keep this process going forward. If there are issues, they help to resolve them as quickly as possible. These are especially difficult with national discount lenders that don't have a lot of people to take care of issues (which are very popular with buyers because they offer low rates).

Don't ignore the mortgage process. Be on top of it. **Ask your buyer for weekly, if not daily status of the mortgage process.** If possible, get permission to contact their lender for updates and questions. It's impossible to teach you everything to look out for, let alone how to resolve many of the issues that could arise. So, the best advice to give you is to stay on top of the process and keep the pressure on at all times. Otherwise, you could get to a couple of days before you're supposed to close, only to find out that the buyer's mortgage is nowhere near being approved...or worse, it is being declined.



Pro tip: Many of the issues in the mortgage process stem from buyers not getting all of the required documentation and paperwork done in a timely manner. Make sure they jump on all of this immediately once you have an executed contract. Buyers tend to underestimate how much effort it will take, and how long it will take, and put things off for days and weeks. At first, gently suggest they be diligent. If a week goes by and they haven't made significant progress on their mortgage, start getting firm with them.

GOOD LUCK!

Hopefully all of this information will help you to succeed in getting your home sold!



Keep in mind that, statistically speaking, the majority of people who try and sell on their own don't succeed and end up hiring a real estate agent. Those who do succeed normally already know the buyer. So, if you *do* succeed, take a lot of pride in having done so. But if you aren't able to sell on your own, don't feel like you failed. It's a lot harder than it seems.

If you decide to list your home with a real estate agent, please consider hiring me. I hope that what I've provided you here has shown you that I truly know the business, and that I have your best interest in mind.

Most of all feel free to reach out to me with any questions as you move along trying to sell your house on your own. I'll be glad to help to the degree that I am allowed without actually being hired by you.

CONTACT ME TO TALK MORE

As an Expert Digital Marketer (e-PRO®), Real Estate Negotiation Expert (RENE), Certified Real Estate Pricing Specialist (C-REPS); and Military Relocation Professional (MRP); you can be sure you will be in good hands if you list your home with me.

I would love to talk with you more about what you read here, and help you on the path to selling your house. My contact information is below. I look forward to hearing from you!



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