

18 Things every **For Sale By Owner** needs to know.

1. Make Necessary Repairs

Make all needed repairs unless you want the house to be regarded as a fixer-upper. I'm not referring to cosmetic updates--just items in need of repair. Anything that's obviously broken gives potential buyers a reason to offer you a lower price, especially if it's one of several repair hot spots that worry buyers the most.

2. Mold & Mildew

Mildew stains and odors scare buyers, especially now that toxic black mold is such a hot topic, and chances are you won't even get an acceptable offer if mold and mildew are present. Even if the mold in your house is the normal variety kill it and *fix the source of the problem.*

3. Damp Basements and Crawlspaces

Buyers and home inspectors will look closely at the walls and floors for patches of mildew and signs of dampness. The inspector might use a meter to determine how much moisture is present in these spaces, because moisture deteriorates building materials and attracts insects.

Cover exposed earth in basements and crawl spaces with plastic to help keep moisture levels down.

Most foundation "leaks" we see are a result of poor drainage that funnels water towards the foundation.

- Make sure gutters are clean so that rainwater flows toward downspouts instead of spilling over gutter sides along the foundation.
- Point drainage downspouts away from the house.
- Check water flow through buried drainage lines by flooding them with water from a hose. If water comes back towards you the line is plugged and should be cleared.

If foundation problems do exist, and you cannot make repairs, you might need to lower the price of the house upfront, with the understanding that the price reflects the problem. Another option is to give the buyers an allowance to make repairs after closing.

4. Roofs and Chimneys

Deteriorated shingles or other roof coverings are one of the first things home buyers and home inspectors notice. If the elements underneath the shingles are moist or rotted, you can bet repairs will be requested. Make sure flashing around the base of the chimney is watertight, and that mortar and bricks are in good condition.

5. Get the House Ready to Show

Most houses need at least a little spiffing up before they are shown to potential buyers. Great curb appeal, fresh paint indoors (and sometimes out), organized closets and cabinets, sparkling clean windows and appliances and a clutter-free look are essential if you want the house to appeal to buyers. Be sure to avoid the things buyers hate most about houses.

6. Home Prep Basics

Everything from floors to windows must be spotless, including the oven and other major appliances. Skylights should be crystal-clear, too. Do *not* forget to make bathrooms shine!

Kill the offensive odors. They're the first thing buyers notice, and often a permanent turnoff.

7. Eliminate Clutter:

- Put away small kitchen appliances and other items that are sitting on countertops and tables.
- Remove photographs and other small items from table-tops.
- Organize closets and cabinets.

8. Curb Appeal Exercise

The next time you come home, stop across the street or far enough down the driveway to get a good view of the house and its surroundings.

1. What is your first impression of the house and yard area?
2. What are the best exterior features of the house or lot? How can you enhance them?
3. What are the worst exterior features of the house or lot? How can you minimize or improve them?

Park where a potential buyer would and walk towards the house, looking around you as if it were your first visit.

Is the approach clean and tidy? What could you do to make it more attractive?

Take photos of the home's exterior. If you have a digital camera, view the color versions first, then remove the color and look at it in black and white, because it's easier to see problems when color isn't around to affect our senses.

Make a list of the problem areas you discovered. Tackle clean up and repair chores first, then put some time into projects that make the grounds more attractive.

- Kill mold and mildew on the house, sidewalks, roof, or driveway.
- Stow away unnecessary garden implements and tools.
- Clean windows and gutters.
- Pressure wash dirty siding and dingy decks.
- Edge sidewalks and remove vegetation growing between concrete or bricks.
- Mow the lawn. Get rid of weeds.
- Rake and dispose of leaves, even if your lot is wooded.
- Trim tree limbs that are near or touching the home's roof.

9. Don't Forget the Rear View

Buyers doing a drive by will try their best to see your back yard. If it's visible from another street or from someone's driveway, include it in your curb appeal efforts.

10. Evening Curb Appeal

Do your curb appeal exercise again at dusk, because it isn't unusual for potential buyers to drive by houses in the evening.

One quick way to improve evening curb appeal is with lighting:

- String low voltage lighting along your driveway, sidewalks, and near important landscaping elements.
- Add a decorative street lamp or an attractive light fixture to a front porch.
- Make sure lighting that's visible through front doors and windows enhances the home's appearance.

11. Get Psyched Up to Let People In

If you're listing with a real estate agent, she'll ask you to leave when the house is shown. Why? Because lurking sellers make buyers nervous--they don't feel comfortable inspecting the house when they feel they are intruding in your personal space.

Unless there's a valid reason for it, don't ask your agent to be present for all showings, because that requirement can be the kiss of death for showing activity. Other agents want privacy with their buyers and they don't usually have time to work around your agent's schedule.

Make the house accessible. That means it should *always* be ready to show. Many agents won't bother showing a house that takes 24 hours to get into.

12. Pre -Qualify Home Buyers

A good real estate agent verifies a buyer's pre-approval status before he shows them property. When you sell by owner you'll deal with many people, including those who are qualified to buy a home and those who don't have a chance of getting a home financed.

People who know they cannot buy sometimes think that for sale by owner homes offer a better opportunity, because they're hoping to find a seller who will finance the transaction.

Ask these questions to get a better feel for someone's buying power:

1. Have you been pre-approved by a lender for an amount in this price range?
2. Can you buy a house now, or do you have to sell your current home first?

It's a good idea to require home buyers to submit written proof of pre-approval with any offer. If your buyer can't buy until he sells, you'll have to decide whether or not you want to wait for that to happen. If you do decide to wait, be sure to insert a kick out clause in your contract with the buyer.

Differences Between Pre -Qualification, Pre -Approval, Loan Commitment

It's important to get pre-approved for a mortgage before you shop for a home, but sometimes the terminology is confusing. Do you understand the differences between the terms pre-qualified, pre-approval and loan commitment? The differences can affect your home buying transaction.

Some real estate agents are confused by the terminology, so it's no wonder that home buyers and sellers are, too. Although they are related, the three terms each signify a different level of approval from a lender.

Pre-Qualified,

Loan pre-qualification does *not* typically include an analysis of your credit report or an in-depth look at your true ability to buy a home. You can be pre-qualified by a lender, by a real estate agent or you can do it yourself. The term means that someone has taken a general look at your income and expenses and plugged them in to a debt -to-income ratio formula. Pre-qualifying yourself before you start looking for a home gives you a *general* idea of the price range you're shopping in.

Pre-Approval

When you are pre-approved for a mortgage, it means a lender has looked closely at both your credit report and your income and determined that you qualify for a loan. The lender will tell you the maximum amount of loan it will make, which loan programs you qualify for, and will discuss the interest rates it will offer for different types of loans.

When you're pre-approved you can go shopping for a home

- 13. Virtually every buyer looks at several houses before making a decision. Having only one house to show prevents you from helping the buyer do comparison-shopping. You will have to be aggressive to make sure potential buyers continue to consider your house after they've looked at others.**
- 14.** It is difficult to determine the tastes and requirements of a buyer if you have not had the opportunity to fully qualify him/her beforehand. By showing your property to whomever calls on your ad or signs, you will often waste valuable time doing showings for unqualified prospects.

- 15. Get the legal expertise to prepare a valid and fully enforceable purchase agreement. Be sure to have an attorney review all documents and disclosures.**
- 16. Buyers are reluctant to discuss their finances with the other principal in a transaction. Most sellers fail to ask for a credit report, source of down payment, as well as other information critical to determining the buyers' creditor. There are few things more frustrating than discovering the day before closing that the buyer cannot get financing.**
- 17. If you have to call the buyer back yourself, you are weakening your bargaining position and may give the buyer the impression that you are desperate to sell. A seller who seemed anxious usually receives less money for their home. When you have a buffer in your negotiations, the chances of your transaction coming together increase dramatically.**
- 18. Buyers normally will not discuss disadvantages or shortcomings they feel are present in your property. Thus, because you do not know what their objections are, it is virtually impossible to overcome them.**
- 19. Serious buyers who know you are selling For Sale By Owner, will almost always deduct six percent off your asking price. They view you as a "wholesaler" and thus, expect to pay a wholesale price rather than a retail price. In essence, they are trying to save the same commission as you.**
- 20. Obtaining the names and phone numbers of everyone who calls can be difficult. Buyers are often reluctant to provide someone they don't know with accurate information about who they are and what they can afford.**
- 21. Unless you have an incredible marketing campaign or your home is located on the busiest street in town, most serious buyers likely will never know your home is up for sale. People looking for homes usually end up working with a Realtor because it costs them nothing (the seller normally pays all commissions) to get professional representation.**
- 22. Throughout the time your home is for sale, you will inevitably face an onslaught of real estate agents soliciting the listing of your home. Every new real estate training program in existence advises agents to call you.**