



www.ForSaleByOwner.com
For Sale
By Owner.com
(801) 413-1940



The ForSaleByOwner.com Workbook:
A How-To Guide to Selling Your Own Home

ADVICE FOR SELLERS

Preparation and organization will go a long way toward the successful sale of your home. This workbook is a step-by-step instructional guide to keep you on track during the entire home selling process. Make notes and check off items as you go along.

Good luck!

This checklist follows a normal course of events in the selling process. It is a useful tool to help you keep everything organized throughout the process.

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PREPARATIONS: Home Seller Worksheet



Use this worksheet to help understand what to expect during the home selling process.

YOUR REAL ESTATE MARKET

Having realistic expectations of the time it takes to sell your home is important in today's market. The average home in the US takes 120-150 days to sell with or without an agent. By researching the market in your area you can get an idea of the time it will take you to sell. To find out what the selling conditions are like in your market, use the internet and your local newspaper to gather market information as well as talk to your neighbors and friends who are selling in your area.



YOUR FINANCES

Tally up your expected costs to complete the sale of your home, then use the form below to figure out your estimated profit.

COSTS

| | |
|---|----------|
| a) Advertising | \$ _____ |
| b) Inspections and Repairs | \$ _____ |
| c) Closing Costs (Approx. 1-2% of the sale price) | \$ _____ |
| d) Other Costs (Such as renovations, etc) | \$ _____ |
| TOTAL COSTS (a-d) | \$ _____ |
| ESTIMATED SALE PRICE | \$ _____ |
| LESS TOTAL COSTS | \$ _____ |
| TOTAL PROFIT | \$ _____ |

PREPARATIONS: Getting Your Papers In Order



There are several legal forms you will need to complete the sale of your home. Below is a general overview. We highly recommend using an attorney and/or title company to assist you with your home sales transaction.

NECESSARY FORMS

- Sales Contract
- Disclosures
- Counter Offer Form/Sales Contract Addendum
- Homeowners' or Condo Association Documents (if necessary)

SALES CONTRACT

Although sales contracts vary from state to state, most include the following information:

- A legal description of the property, including the street address.
- The selling price.
- **Mortgage and contingency clauses:** The clauses state that a mortgage approval will be obtained within a set number of days and that there will be a commitment to buy within a set number of days of the contract signing.
- **Ernest Money (deposit):** The amount is negotiable and varies with the value of your house and market conditions. Consider 5 percent of the selling price, more if you reasonably expect multiple offers.
- **Closing:** Specify date when ownership of your home will be transferred to the buyer. .

SALES CONTRACT CONTINUED

- **Inclusions and exclusions:** What is and is not included in the sale of the property. Be specific about drapes, carpeting, spas and appliances that are not built in.
- **Home inspection:** Contingency for inspection and a designated time frame for completion.
- **Warranties:** All warranties included with the house (anything that you would like to guarantee is in working order).
- **Home Warranty:** Details about any home warranty purchased by you or the buyer. See page 9 for more information about Home Warranties.
- **Well and Septic:** Specify that they must pass inspection.
- **Termite and pest inspection:** Who pays for inspections, and who will pay for repair.
- **Possession date:** When buyers take possession after the closing.
- **Acceptance limitations:** How long the sellers have to respond to the offer with acceptance or a counteroffer.
- **Arbitration:** Provisions for arbitration of disputes.
- **Property disclosures:** Notice of property disclosures concerning the house.

PREPARATIONS: Getting Your Papers In Order



COUNTER OFFER FORM/SALES CONTRACT ADDENDUM

In most cases, a counter offer form or sales contract addendum is necessary when making revisions to the sales contract such as a change in price, legal terms or deadlines. A counter offer form or sales contract addendum generally includes the property address, references the original contract, and has places for both the buyer and seller to sign.

DISCLOSURES

In most states, the seller must provide a disclosure form. This is a checklist where you indicate known problems about the property. If you have this form ready before you receive an offer, you can hand it over to the buyer and get his signature to seal the deal without delay. Additional disclosures may be required in your area for hazardous conditions such as asbestos. In addition, all homes built before 1978 require a Lead Based Paint Addendum (located at the end of this workbook).

For more information, please call The National Lead Information Center at 1-800-424-LEAD (424-5323).

HOMEOWNERS' OR CONDO ASSOCIATION DOCUMENTS

If you live in a community governed by a homeowners' or condo association, there may be an additional form required that informs the buyer they will be obligated to be a member of the association, bound by its rules and restrictions. The buyer may also be obligated to pay assessments to the association, and failure to do so could result in a lien on the property. This form should be available to you through your homeowners' or condo association.

WHERE DO I GET FORMS?

You can purchase forms online at www.forsalebyowner.com/forms. We highly recommend you utilize the services of a real estate attorney to assist you in the home sale process. Please go to page 8 for more information.

PREPARATIONS: Service Provider Contact Sheet



Regardless of how you sell your home, it is always recommended that you have a team of professionals ready to help you along the way. Use the following pages to guide you as you build your support team. Make copies of this sheet to record contact details during your search. For help finding professionals in your area, visit our Service Provider Directory at www.forsalebyowner.com/provider.

| | |
|-----------|----------|
| Name | |
| Company | |
| Phone () | E-mail |
| Website | Price \$ |
| Notes | |
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| | |
|-----------|----------|
| Name | |
| Company | |
| Phone () | E-mail |
| Website | Price \$ |
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|-----------|----------|
| Name | |
| Company | |
| Phone () | E-mail |
| Website | Price \$ |
| Notes | |
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PREPARATIONS: Attorney, Title and Escrow Services



DO I NEED AN ATTORNEY?

In most states west of the Mississippi a Title Company can work with the buyer's lender to handle the closing, however most states on the east side require that you use an escrow attorney. We highly recommend that you contact a real estate attorney to find out what is necessary in your state and to assist you with closing. Having an attorney assist with your transaction will give you peace of mind, knowing that nothing has been overlooked.

WHAT IS AN ESCROW AGREEMENT?

An escrow agreement designates a third party to hold the Earnest Money (down payment) on the purchase of your property, until closing, when you receive the down payment and the remainder of the purchase price.

WHAT IS A TITLE REPORT?

A Title Report (or Title Search) will be ordered prior to closing to determine if there are any liens on your property in addition to your mortgage. A lien generally occurs when a property is used as collateral for a debt or mortgaged for a loan.

PREPARATIONS: Home Warranty



Offering a Home Warranty to a potential buyer who is teetering might be enough to tip the balance in your favor.

WHAT IS A HOME WARRANTY?

A home warranty is a one-year protection plan to cover major appliances and systems so your buyer has peace of mind once he takes possession of the home. It is available to both buyers and sellers and for a few hundred dollars covers possible breakdowns of the following appliances and systems:

- Heating System
- Air Conditioning & Ductwork
- Internal Plumbing System
- Internal Electrical System
- Ceiling and Attic Fans
- Dishwasher/Refrigerator
- Range/Oven/Stovetop
- Built-In Microwave Garbage Disposal
- Water Heater
- Trash Compactor Exhaust Fans
- Septic Systems



HOW DO I GET A HOME WARRANTY?

To find a Home Warranty provider go to www.forsalebyowner.com/warranty.

PREPARATIONS: Home Inspection



HOME INSPECTION

The following page contains a checklist of the common areas inspected when a home is sold. These parts of your house will most likely be under scrutiny while your property is under contract and their condition can make or break the sale. Making basic repairs to any deficiencies now can save major trouble down the road.

PROFESSIONAL HOME INSPECTION

Get a jump on prospective buyers with a professional home inspection. After an inspection, you'll know the defects of your home in advance - and there will be no surprises later on. A completed whole house inspection is also a selling point that shows buyers you've done everything you can to secure a safe and functioning house. Once you've had a full inspection, you'll know how much work you need to complete. Please note: The buyer will be required to preform a home inspection prior to closing. Whether or not a **professional** home inspection inspection will be necessary depends on the contract terms, financing terms and local laws.

QUESTIONS TO ASK AN INSPECTOR

Q: What kind of certification do you have?

Your inspector should be ASHI (American Society of Home Inspectors) certified.

Q: How long will the inspection take?

It should take two to four hours.

Q: What will you inspect?

The inspector will need to inspect all parts of your house, including your attic and basement and/or crawlspace. Please see the checklist on the following page for a breakdown of the common areas of inspection.

Q: What kind of report will I receive?

Written reports are a must. The report should contain deficiencies as well as recommendations and solutions for any issues. Many reports also include photos of any negative findings.

PREPARATIONS: Home Inspection Checklist



These are the items that a professional home inspection usually covers. If you do not get a professional home inspection, you can use this list as a guideline to inspect your own home. In general, these are the areas that a buyer will inspect prior to closing.

| ITEM | DONE ✓ | NOTES |
|--|--------|-------|
| Foundation: Structural integrity | | |
| General Exterior: Rain gutters, water damage | | |
| General Condition: Construction and stability | | |
| Plumbing: Rusted pipes, leaks, potential problems | | |
| Electrical Systems: Proper construction, any code violations | | |
| Heating and Cooling: Adequacy and maintenance | | |
| General Interior | | |
| Flooring | | |
| Windows and Doors | | |
| Baths, Toilets and Sinks: Operational | | |
| Appliances: Potential issues | | |
| Corresponding structures: Garage, shed, etc. | | |
| Attic and Basement | | |
| Roof: Current condition and estimated remaining life | | |
| Other: Mold, asbestos, lead paint* | | |

*These inspections are only necessary in certain areas and may depend on the age of your home.



GETTING YOUR HOUSE READY: Simple Home Repairs



Keep all receipts - the renovations may be tax deductible. We recommend that you consult a tax professional for more information.

START SMALL

Homeowners often consider remodeling to increase market value, but it is often the small things that give you the most bang for your buck. Replace worn cabinet knobs and handles. Consider nickel or other modern styles that complement your home. Replace gaudy chandeliers and other light fixtures with simple designs. A fresh coat of paint does wonders for a room. Use neutral ones, or soft colors that complement cabinetry. Your local home improvement store has color palettes for nearly every situation.

STAY TRUE TO YOUR HOUSE

Make sure that renovations match the style of your home - not your personal style. Similarly, don't change the function of the rooms in your house.

DON'T GO TOO FAR

Home improvements can definitely pay off in the end, if you approach them wisely and with realistic expectations. The biggest mistake most people make when they renovate is expecting to get a dollar-for-dollar return. However, even the most desired upgrades rarely yield 100% return. Don't forget to budget your money. When undertaking a renovation project, most people underestimate their budget by 20-30%. Finally, make sure to complete the repairs on any defects you may have found during your home inspection, in the previous section, prior to starting any major renovation projects.

TURN TO THE PROS

If you have no experience, hire a professional! Doing it right the first time is always best for the bottom line.

GETTING YOUR HOUSE READY



EXTERIOR



The following list involves simple, low-cost improvements that can make a world of difference to your home. See the room-by-room checklist that follows.

| ITEM | DONE ✓ | NOTES |
|------|--------|-------|
|------|--------|-------|

EXTERIOR

Power wash dirt and mold from siding

Give the house a fresh coat of paint, if needed

Clean and repair rain gutters – Reseal seams where needed

Mow lawn – Replace with new sod if necessary

Dress up landscaping with fresh flowers

Prune bushes and trees

Add fresh layers of mulch where appropriate

Clean, repair and refinish decks and porches

Fences and gates should be easily opened

Repair and reseal window exteriors

Remove oil stains from driveway and garage floors

Garage door should open and close

GETTING YOUR HOUSE READY



INTERIOR

The following list involves simple, low-cost improvements that can make a world of difference to your home. See the room-by-room checklist that follows.

| ITEM | DONE ✓ | NOTES |
|--|--------|-------|
| INTERIOR | | |
| Patch any holes in walls | | |
| Remove outdated wallpaper | | |
| Clean or paint dirty walls and doors - Avoid stark whites, dark or bright colors; stick to neutral tones | | |
| Steam-clean carpets | | |
| Remove or replace stained or worn carpet | | |
| Have fireplaces professionally cleaned and inspected | | |
| Railings on stairways should be secure | | |
| Repair and reseal windows | | |
| Doors and windows should open and shut smoothly and completely | | |
| Check faucets, toilets and plumbing for leaks - Repair any water damage | | |
| Re-caulk sinks, tubs and showers | | |
| Make sure appliances are in working order | | |
| Replace furnace and air-conditioning filters | | |

GETTING YOUR HOUSE READY: Staging for Success



Staging Tip: Rent a storage unit to store excess toys, books and other personal items. Your home will appear more spacious and well-kept to prospective buyers.

What is “staging”? “Staging” is getting your home ready to show. Think of your home as a stage for a play and you are “setting the stage” for prospective buyer’s, who are your audience.

You can do as little as just cleaning your house and removing clutter or as much as moving, removing or even replacing furniture and decor. The end goal in staging your home is to create a friendly, attractive, functional and spacious house that a buyer could call home. Below is checklist of staging ideas to make your property more attractive to potential home buyers.



WHOLE HOUSE



- Vacuum, sweep and/or mop _____
- Dust and wipe down furniture and fixtures _____
- Replaced burned-out light bulbs _____
- De-clutter and depersonalize _____
- Sparingly replace personal items, family photos and valuables with generics _____
- Make sure each room fits its purpose (no dining table in the living room) _____
- Clean or replace window dressings _____

GETTING YOUR HOUSE READY: Staging for Success



FOYER

- Should be clean, warm, and welcoming _____
- Liven up the area with fresh flowers _____

LIVING AND FAMILY ROOMS

- Tidy overflowing bookshelves _____
- Organize entertainment centers _____

KITCHEN

- Wipe down cabinet faces, knobs and handles _____
- Clean and put away dirty dishes _____
- Clean the sink _____
- Clean all appliances, inside and out _____
- Clean the oven _____
- Clean or replace range drip-pans _____
- Clean or replace stove hood filter _____
- Eliminate any odors _____
- Get rid of any grease or grime _____
- Take out the garbage _____

DINING ROOM

- Set the table with placemats and a simple center piece _____
- Tuck-in chairs _____

BEDROOMS

- Conceal dirty laundry _____
- Put away toys _____
- Make beds _____

BATHROOMS

- Clean tubs and showers _____
- Scrub grout _____
- Clean the toilets _____
- Take out the garbage _____
- Polish mirrors _____
- Remove personal items such as tooth and hair brushes _____
- Add a lightly scented room freshener _____
- Keep soap, clean towels and toilet paper available _____

HALLWAYS/CLOSETS

- Keep areas organized _____
- Doors should be able to be opened _____

BASEMENT/GARAGE /ATTIC

- Organize workshops and storage _____

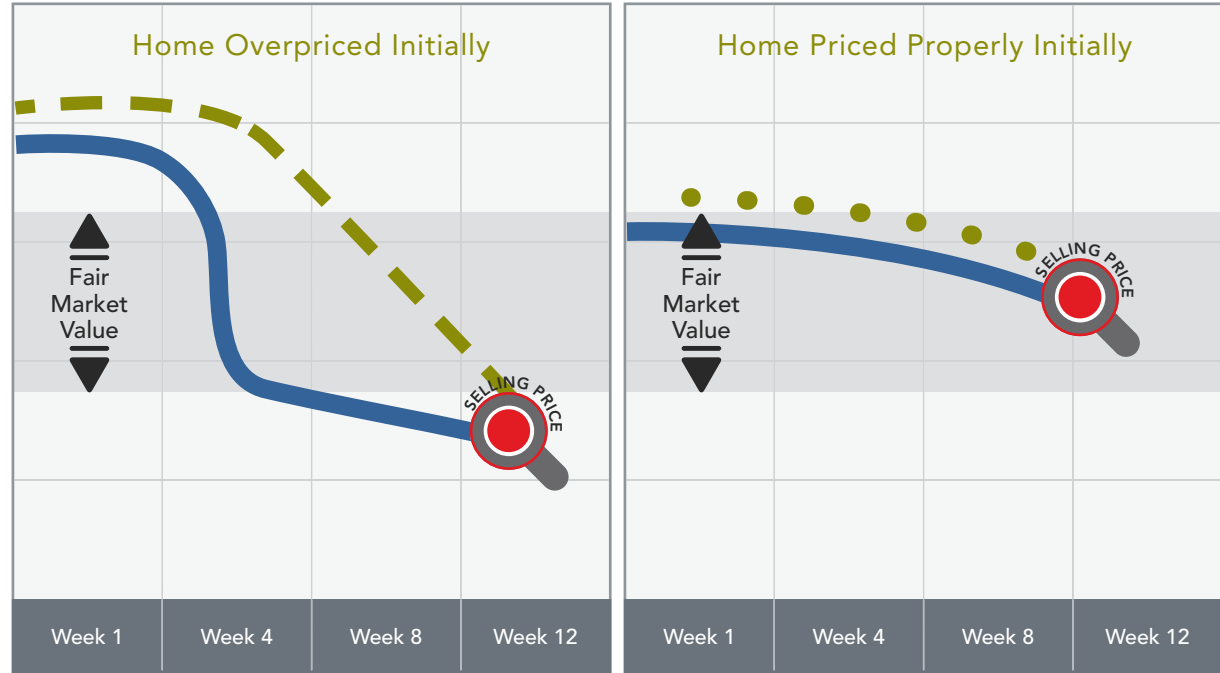
YARD/PORCH/WALKWAY

- Remove leaves and debris _____
- Mow the lawn _____
- Sweep and/or hose down patios, decks and walkways _____
- Replace doormats _____



PRICING YOUR HOME: Importance of Properly Pricing

DANGER OF OVERPRICING



Sellers often receive the most buyer inquiries within the first several weeks a house is placed on the market. When you first list your home, there is likely to be immediate interest from potential buyers and agents. As time passes, and more properties come on the market, this initial burst of interest will fade. So it is important to price your home correctly when you first list it.

OVERPRICING

If you overprice your home with the idea you can drop the price later, you are hurting your chances of selling during this first wave of buyer interest. Keep in mind that these buyers have probably done their homework and will likely know how much your house is worth. The graphs below illustrate the pitfalls of overpricing.

UNDERPRICING

Underpricing your property can be just as harmful as overpricing it. Buyers who are looking in a specific price range may overlook your home due to the low price tag, assuming it will not fulfill their needs.

PRICING YOUR HOME: Importance of Properly Pricing



There are two very useful tools you can use to set the price of your home: a property valuation and a professional appraisal.

Don't forget to login to your account and request your Property Pricing report, which is included FREE with most ForSaleByOwner.com packages.

PROPERTY VALUATION

The ForSaleByOwner.com Property Valuation Report, which is included with most packages, will suggest an approximation of your home's market value, based on recent sales data. You will also receive a complete report of similar homes that were sold recently, including purchase price and closing dates, which will help you set the sales price of your home. Login to your account and click "Property Reports" for more information.

PROFESSIONAL APPRAISAL

A professional appraiser visits your home and estimates its value based on the condition of your home and prevailing market values. You will pay a higher fee for a professional appraisal, which varies by region, and generally ranges between \$250 and \$500. You can do a search for licensed property appraisers at www.forsalebyowner.com/appraiser.



IS A PROFESSIONAL APPRAISAL NECESSARY?

A professional appraisal is necessary before closing, if your buyer is obtaining financing, and is generally paid for by the buyer. You may want to purchase one to use as a pricing tool when you first put your home on the market, however, the buyer will most likely need to have a new appraisal done prior to closing.

PRICING YOUR HOME: Set the Price



| HOUSE 1 | |
|---------|---|
| Address | <input type="text"/> Price |
| Beds | |
| Baths | <input type="text"/> Your Price (Higher/Lower) |
| Sqft. | |
| Notes | |

| HOUSE 2 | |
|---------|---|
| Address | <input type="text"/> Price |
| Beds | |
| Baths | <input type="text"/> Your Price (Higher/Lower) |
| Sqft. | |
| Notes | |

| HOUSE 3 | |
|---------|---|
| Address | <input type="text"/> Price |
| Beds | |
| Baths | <input type="text"/> Your Price (Higher/Lower) |
| Sqft. | |
| Notes | |

| HOUSE 4 | COMPARE PRICE |
|---------|---|
| Address | <input type="text"/> Price |
| Beds | |
| Baths | <input type="text"/> Your Price (Higher/Lower) |
| Sqft. | |
| Notes | |

FOLLOW THESE SIMPLE STEPS TO SET YOUR PRICE:

1. Examine the information you have from your property valuation and/or appraisal. This should be your guideline price.
2. Select a couple of comparable houses from your property valuation and/or appraisal and add them to the worksheet.
3. Research several comparable homes that are currently for sale in your area, add them to the worksheet as well. *Note:* Comparable homes have a similar number of bedrooms and baths, square footage, lot size, amenities, etc.
4. Drive by these properties, attend an open house (if they have one) or view their property flyers and see if these homes appear to be in better or worse condition than yours. Are they more desirable or less desirable than your property?
5. Based on your observations, set your asking price slightly higher or slightly lower than each of these properties.
6. Average your price estimations from the worksheet and your valuation and/or appraisal to come up with your asking price.

| | |
|--|-------------------------|
| Guideline Price <i>(from valuation and/or appraisal)</i> | \$ <input type="text"/> |
| Your Asking Price | \$ <input type="text"/> |



MAXIMIZE YOUR ADVERTISING: Best Features



Before you write your online property description, spend a few hours brainstorming and writing down your home’s best features. **ASK YOURSELF:** What attracted you to the home when you bought it? What improvements have you done? **DON'T GO OVERBOARD!** Only include the best and most important features. Your goal is to motivate buyers to contact you for more details.

Writer’s block?
Go online to see
how other sellers are
describing their homes
on ForSaleByOwner.com
and other real
estate sites.

BEST INTERIOR FEATURES

BEST EXTERIOR FEATURES

BEST COMMUNITY FEATURES

MAXIMIZE YOUR ADVERTISING: Making the Most of Your Photos



You will need to take photos for your ForSaleByOwner.com internet listing and your property flyer. Remember, your ForSaleByOwner.com listing automatically prints out into a professional quality property flyer.

Add more photos! Listing that include a 25 photo slideshow have a 10% higher success rate than those that do not. If your listing does not include a slideshow, you can add one by logging into your account and upgrading your listing.

Photos are critical to selling your home – you will get a 70% higher response rate and will be 40% more likely to sell your home if you add photos to your ForSaleByOwner.com listing. Here are some helpful hints for making the most of your photos.

QUALITY COUNTS

- ✓ Use a digital camera for quality high-resolution photos.
- ✓ If you don't have a digital camera, a regular 35 mm will do fine.
- ✓ Do not use a Polaroid or a camera-phone snapshot.
- ✓ Take as many photos as possible and select the best ones.

INTERIOR PHOTO TIPS

Stage your house as if you were showing it.

- ✓ Turn on all lights and open window treatments.
- ✓ Use your flash.
- ✓ Take pictures of the whole room, not the furnishings. Buyers are interested in the space, not how you decorated it.
- ✓ Take photos during the day. Mid-afternoon is best, when there is warmer light, but make sure that light is not coming directly into the windows or you may get a bad reflection.

MAXIMIZE YOUR ADVERTISING: Making the Most of Your Photos



BEST TIMES TO PHOTOGRAPH YOUR HOME

If your home faces...

WEST

Take photos in the evening, within two hours of sunset.

EAST

Take photos in the morning, within two hours of sunrise.

SOUTH

Take photos in the afternoon, when the sun is no longer directly overhead.

NORTH

Watch for the time of day when the sun shines on your house. If your house does not get any direct sunlight, snap a photo on a bright day when the sun moves behind a cloud.

BAD



GOOD



EXTERIOR PHOTO TIPS

Take a picture of the whole house

Include a curbside view if it benefits the look of the house.

If there is a view this could be very valuable. Examples: A high-rise, ocean, lake, or mountain view.

BEFORE you take photos, remember to:

- ✓ Mow the lawn
- ✓ Trim shrubs and trees
- ✓ Remove toys, sports equipment and accessories
- ✓ Put garbage cans out of sight
- ✓ Park the car by the curb or in the garage
- ✓ Close the garage door
- ✓ Wait for a sunny day



Research shows that over 85% of all buyers use the Internet to find a home. By placing your ad online with ForSaleByOwner.com, you have put your home right where it needs to be and where buyers are today.

PROPERTY DESCRIPTION

You can use up to 1,000 words to describe your home, but don't go overboard. Short, concise descriptions work best. Using your ideas from the previous worksheet, highlight the best features of your home. As mentioned earlier, view other listings on ForSaleByOwner.com and elsewhere for ideas.

PHOTOGRAPHS

Don't forget to upload the photos of your property to your ForSaleByOwner.com listing. Buyers want to see photographs. Listings with photos receive a 70% higher response rate and a 40% increased success rate than those without them. With all packages, you can add up to six photographs for no additional charge.



FREE VOICEMAIL SERVICE

All ForSaleByOwner.com packages included access to our FREE Voicemail Service which allows you to record a message for buyers to hear and receive messages from potential buyers. This service is provided to you for your privacy and to allow you to screen out unwanted solicitation. The Voicemail access number is on the National Do Not Call Registry, which means that it is illegal for solicitors to contact you through this service. Your voicemail account can be activated by logging into your ForSaleByOwner.com account and clicking "Activate Free Voicemail".

MAXIMIZE YOUR ADVERTISING: ForSaleByOwner Signs



“FOR SALE BY OWNER” SIGNS

If your package includes a ForSaleByOwner.com yard sign, place it in your front yard. Appearance counts, so print neatly. For a more professional look, go to your local hardware or office supply store and pick up a package of vinyl lettering stickers. Include at least one phone number or the ForSaleByOwner.com voicemail number (888-THE-OWNER) and your 8 digit listing ID. Don't forget! If you use our free voicemail service phone number, make sure you have set-up your voicemail box before placing your sign in your yard.

BROCHURE DISPENSER

Property flyers are an immensely important piece of the puzzle when marketing your home for sale. Be sure to attach your brochure dispenser to your yard sign and keep it stocked with property flyers. Read the next section for more information about property flyers.

MORE THAN 63% OF BUYERS DRIVE THROUGH NEIGHBORHOODS LOOKING FOR HOMES FOR SALE.

DIRECTIONAL SIGNS

If your house is on a quiet street, consider directional signs at strategic intersections to direct traffic to your home or place them at the opening to your community (check local zoning laws for restrictions).

FORSALEBYOWNER.COM SHOP

To visit the ForSaleByOwner.com Shop go to www.forsalebyowner.com/shop. There you can purchase additional yard signs, brochure dispensers, everyday use directional signs, “Open House” directionals, lockboxes, and other useful real estate products.

MAXIMIZE YOUR ADVERTISING: Property Flyers



Property flyers are a critical component to selling your house. They provide more information to buyers who are driving by and give them something to take away with them to help remember your property.

Tip: To print property flyers, simply login to your ForSaleByOwner.com listing and click "Print Flyers"

WE DO IT FOR YOU! All ForSaleByOwner.com Listings come with a built in tool to create professional property flyers. With a simple click, you can turn your online ad into a beautiful property flyer that you can print right at home.

MAXIMIZE YOUR ADVERTISING: Additional Exposure



COMMON CLASSIFIED ABBREVIATIONS

- BD – Bedroom
- MBR – Master Bedroom
- BA or BTH – Bath
- LR- Living Room
- DR – Dining Room
- BSMT - Basement
- SF or SQFT – Square Foot
- A/C – Air Conditioning
- INCL - Included
- HOA – Home Owner’s Association
- PRKG – Parking
- PRIV – Private
- BLDG – Building
- YRD – Yard
- SPAC – Spacious
- RM – Room
- LOC – Location
- GAR or GRG - Garage

NEWSPAPERS AND MAGAZINES

Consider increasing the exposure your listing receives by placing ads in local newspapers and/or real-estate magazines. Some cities have free publications that you can post a classified ad in at no cost.

When creating a classified ad, use standard classified abbreviations to tell more in limited space. To protect your privacy, use the ForSaleByOwner.com Voicemail number (888-THE-OWNER) and your listing ID in your classified ads.

CREATE YOUR CLASSIFIED AD



MLS (MULTIPLE LISTING SERVICE) AND REALTOR.COM

If you selected a ForSaleByOwner.com package that included an MLS and Realtor.com listing, your exposure will be increased greatly. By listing in the MLS, you are advertising your property to buyers who are using an agent to help them find their next home. If a buyer’s agent brings you a buyer through the MLS you will only pay about half the commission you would have had you listed with an agent (for example, instead of paying 6% you might pay 3%). And, of course, if you find a buyer on your own, you pay no commission at all. For more information about the MLS, login to your ForSaleByOwner.com account and click “Learn About The MLS”.



BUYERS AND SHOWINGS: Handling Prospects



Make several copies of the prospect sheet on the next page. You should keep these handy as you take phone calls, listen to your voicemail, or check your e-mail so that you can follow up with potential buyers.

CONTACTS FROM BUYERS

Depending on how you have advertised you may hear from potential buyers in several ways: direct phone calls, voicemail, e-mail, or even knocks on the door. Check your messages on a regular basis and follow-up with buyers right away to keep their interest.

TIPS FOR TALKING TO BUYERS

- Be friendly and positive.
- Ask what they are looking for in a property.
- Tell them what your property has to offer.
- Give them an opportunity to ask questions.
- Ask them if they are pre-approved or pre-qualified for a loan.
- Invite them to view the inside of your house - It is always better to have a potential buyer view your house than just drive by.
- Ask for their name and contact information.
- Thank them for their interest.

KEEPING UP WITH PROSPECTS

Make sure to note your conversation on a Buyer Prospect Info Sheet, located on the next page. If the potential buyers did not set-up a showing, call them to follow-up a few days later.

QUALIFY POTENTIAL BUYERS

Make sure your buyer is qualified to purchase your property. Ask for a letter from their lender showing that they have been pre-approved or pre-qualified for an amount greater than or equal to the price of your property. Do not consider an offer until you know the buyer is pre-approved or pre-qualified for a mortgage loan. If a buyer cannot afford to buy your property,

everyone's time has been wasted. If you choose to accept an offer from a buyer that is not pre-approved or pre-qualified, providing this should be the first condition in the sales contract.

DEALING WITH AGENTS

Q: Why would an agent contact me?

Agents may contact you for one of several reasons: to solicit business, to sell your property, to help you find a new home, or to show your property to a client.

Q: Do I have to pay a commission if an agent brings a buyer?

If you sell your house to a buyer that an agent has brought, you will most likely owe them an agreed upon commission, generally around 2-3%. If you have an MLS listing, the commission amount will be set, based on the amount you chose to offer when you completed your MLS paperwork. Of course, you are not obligated to accept any offer.

Q: How can I prevent solicitation?

The best way to prevent realtor solicitations is to use the ForSaleByOwner.com Voicemail Service. The toll-free number is on the National Do Not Call list, which makes it illegal for solicitors to call this number.

BUYERS AND SHOWINGS: Showing your Home



TIPS FOR SHOWING YOUR HOME

- When selling your home you must be ready to show your home at the drop of a hat. Keep your house clean and organized at all times.
- Make sure to secure all valuables prior to inviting strangers into your home.
- Have a blank sales contract ready to give to an interested buyer.
- Hand potential buyers a property flyer when they arrive and encourage them to ask questions.
- Offer a quick tour highlighting the best features of your house and allow them to explore the property on their own. Buyers feel uncomfortable when you follow them too closely.
- Ask the potential buyer if they have ever purchased a property "For Sale By Owner". If they haven't, it might be a good idea to give them a quick run-down of the process to ensure that they understand how easy it really is.
- Ask for comments as potential buyers leave. Do not get offended by negative feedback from visitors, think of it as constructive criticism.
- Thank potential buyers for viewing your house.

After you have decided to sell your home, it is no longer your own. Your property is now a piece of merchandise that has to be displayed in the best possible condition at all times. Keeping your home clean and clutter-free is a must.

FOLLOW-UP

After a showing you should follow up with potential buyers within a few days. If they are not interested in your home, find out why. This is a great opportunity to bargain with potential buyers and/or learn how to make your house more appealing.

BUYER PROSPECT INFO SHEET



Name _____ Date / / _____ Time _____

Phone () _____ Email _____ Pre- Approved? Yes No

How did they hear that your home was for sale? _____

Appointment Date / / _____ Appointment Time _____

Comments _____

Follow-up _____

Name _____ Date / / _____ Time _____

Phone () _____ Email _____ Pre- Approved? Yes No

How did they hear that your home was for sale? _____

Appointment Date / / _____ Appointment Time _____

Comments _____

Follow-up _____

Name _____ Date / / _____ Time _____

Phone () _____ Email _____ Pre- Approved? Yes No

How did they hear that your home was for sale? _____

Appointment Date / / _____ Appointment Time _____

Comments _____

Follow-up _____

BUYERS AND SHOWINGS: Hosting an Open House



Simple Tip: Keep a supply of refrigerated, prepared dough on hand for cookies or bread, and toss one in the oven 10-15 minutes before a potential buyer is expected. It's an old trick, and you may draw a few knowing giggles, but it really works.

After you have advertised, you may want to host an Open House. Follow these tips for the greatest success.

GETTING READY

- Add your open house date to your ForSaleByOwner.com listing at least one week ahead of time.
- On the day of, place "Open House" signs at key intersections and the entrance to your community.
- Tie a couple of balloons to your yard sign to ensure buyers can find your house easily
- Open all curtains and drapes and turn on as many lights as possible.
- Check your doorbell and porch light to make sure they both work.
- Make sure the house smells good – light candles or consider baking bread or cookies.
- If possible, increase visual appeal by placing fresh flowers throughout the house.
- Check the thermostat and keep the house at a comfortable temperature.
- Prepare your home as you would for a guest.
- Ask friends or grandparents to keep an eye on small children and pets so they are not underfoot.
- Make yourself as inconspicuous as possible.



- Print several of the sign-in sheets on the next page and place them on a counter where they are easily accessible.
- Leave flyers on the counter near the open house sign-in sheets.
- Make sure to secure all valuables prior to inviting strangers into your home.
- Ask visitors if they have been pre-approved or pre-qualified for a loan.

FOLLOW-UP

Make a follow-up call to anyone on your sign-up sheet who indicated interest, as well as to all open house attendees, thanking them for taking the time to visit. You should also solicit feedback about your home from those who are not making offers.

WELCOME TO OUR OPEN HOUSE



Please sign-in before touring the house. Don't forget to take a property flyer as well, which includes our Listing ID to view our property on ForSaleByOwner.com.

Name

Address

Phone ()

Email

Pre- Approved? Yes No

Comments

Name

Address

Phone ()

Email

Pre- Approved? Yes No

Comments

Name

Address

Phone ()

Email

Pre- Approved? Yes No

Comments

Name

Address

Phone ()

Email

Pre- Approved? Yes No

Comments



DEALING WITH OFFERS: Offer to Purchase



Back-Up Offers: Once you have signed an offer, you may accept a backup offer, as long as the buyer understands that the house is under contract and his contract is second in line – and valid only if the first offer falls through.

An offer can be very exciting – or very intimidating. Armed with the right information, you can make a prudent decision when you receive an offer. All offers should be made in writing in the form of a binding legal agreement – a sales contract.

Review the previous section on paper work for more information about a sales contract, on page 5.

DO NOT MAKE ANY VERBAL AGREEMENTS WITH ANYONE INTERESTED IN BUYING YOUR HOME.

When you receive an offer, make sure that you understand special clauses that have been written or inserted above the signature block. This is where the buyer will make non-standard demands or ask you to pay for certain costs.

The most common clauses include:

- Purchase of your home is contingent upon the sale of the buyer's home
- Requests to pay for the buyer's mortgage costs
- A penalty if you don't vacate the house by a certain date
- A restriction on the amount of time for the buyer to obtain a mortgage
- Inclusion of a home warranty
- Specified repairs to be completed by the seller



After you review an offer, you have several options:

- If you accept the offer as is, you have a deal between you and the buyer. If you sign it, it becomes a sales contract. Again we recommend you seek the guidance of an attorney to assist you with this process.
- You can also make a counter offer. Any changes made to the contract require written approval of all parties for the contract to be valid. See the following section for more information about counter offers.
- **And of course, you have the option to reject any offer outright.**

DEALING WITH OFFERS: Counter Offers



WE HIGHLY RECOMMEND UTILIZING THE SERVICES OF A REAL ESTATE ATTORNEY TO ASSIST YOU WITH THIS PROCESS.

WHAT IS A COUNTER OFFER?

A counter offer is a request for a change to the sales contract. A counter offer can be used to change or add clauses to a contract, change the sales price or request extensions on set dates. A counter offer is generally added to the original contract as an addendum. It will include a date and time at which, if not signed by both parties, it will expire. If an addendum is not signed and dates by the dates and times listed within it is generally considered void.

HOW DO I MAKE A COUNTER OFFER?

A counter offer should always be made using a counter offer form or sales contract addendum. See page 6 for more information about these forms.

DEALING WITH OFFERS: Negotiating



NEGOTIATING STRATEGIES

While many people are uncomfortable trying to negotiate, there are some tips you can follow that may help negotiations run as smoothly as possible.

- Try to establish trust between yourself and the buyer. Give them the benefit of the doubt, even if they've unwittingly offended you.
- Reviewing your property valuation with the buyer can be helpful when negotiating prices. An appraisal from a professional appraiser can also be beneficial in coming to a swift agreement.
- No matter how nice your house is, there is always the chance that you'll receive a low offer. Do not take it personally. Talk to the buyer and try to understand his motivations. You may learn something important, even if you ultimately reject the offer.
- Be honest and upfront about any damage or flaws they point out in your home. Arguing will only destroy your credibility.
- Feel free to make a counteroffer. Consider the buyer's position and reduce your asking price, or let him know how you arrived at your current asking price.
- If the inspection reveals problems, offer to reduce your asking price to help offset the cost of repairs.
- Try to negotiate other terms to counterbalance a lower offer - maybe the buyer will pay his own closing costs.
- Be objective about the cost of holding out. The longer it takes to sell your home, the longer you have to continue to pay the mortgage.



CLOSING THE DEAL: Final Steps Chart

Once you and the buyer have signed the sales contract, your attorney and the title company will do much of the work. The following is a list of the steps needed to complete the sale of your home.

| ITEM | PRIMARY RESPONSIBLE PARTIES |
|--|--|
| Sellers sends contract to attorney for approval (be sure that the agreement you use has an attorney approval contingency). Attorneys for both parties will negotiate final legal terms. | Seller's attorney |
| Seller provides last paid tax bill and title policy to Seller's attorney (or title company) | Seller |
| Buyer schedules inspection of Seller's home | Buyer, Buyer's inspector |
| Contract finalized (binding on both Seller and Buyer), based on attorney comments, results of inspection and after buyer obtains financing commitment from lender (if financing contingency in contract) | Seller, Seller's attorney, Buyer, Buyer's attorney |
| Buyer delivers remainder of earnest money to Seller | Buyer, Seller |
| Seller's attorney sends title policy to Buyer's lender | Seller's attorney, Buyer, Buyer's lender |
| Buyer's lender prepares note and mortgage or trust deed | Buyer, Buyer's lender |
| Buyer obtains homeowner's insurance | Buyer, Buyer's insurance company |
| Buyer's lender or Seller's attorney orders title insurance | Buyer's lender or Seller's attorney |
| Seller's attorney obtains title report from title company | Seller's attorney, Buyer's lender |
| All parties meet to complete transaction: 1. Seller signs the deed, bill of sale, and affidavit of title. 2. Seller's lender provides Seller with payoff letter from your lender. 3. Seller's attorney or title company prepares closing statement calculating the Seller's and Buyer's share of title expenses, state, county and sometimes city transfer taxes, pro rata share of real estate taxes, and the cost of survey and payoff of mortgage. | All Parties |
| Buyer delivers cashier or certified cashier's check for amount required to close | Buyer |
| Seller delivers keys | Seller |

CLOSING THE DEAL: Finalizing the Details



HOW FINANCING AFFECTS THE SALE

After the sales contract has been signed and agreed upon, the buyer will start the process of obtaining financing for the purchase of your property. Financing is the main reason real estate transactions fall through. For this reason, it is best to make sure that you have a pre-qualified or pre-approved buyer before signing a sales contract.

HOME INSPECTIONS

Depending on the area you are located in and the inspections required by your sales contract, the buyer may conduct the following inspections or request that you have professional inspections completed. Below are a few of the most common inspections:

General Inspection: As discussed earlier, a general inspection looks at all aspects of your home, from the foundation to the general construction.

Roof Inspection: Many lenders require that roofs be certified before your home can be purchased. A roofing contractor will make the inspection and determine if any repairs need to be made, and then will certify the roof.

Termite Inspection: In some states, the seller must provide the buyer with a letter from a licensed pest control company guaranteeing that there are no termites in the home.

The buyer's mortgage broker is a great resource for information about the sales process. In usual circumstances, they touch many parts of the sale, from the inspections to the change of title. Don't hesitate to contact the buyer's mortgage broker if you have questions regarding the current status of the transaction.

CLOSING THE DEAL: Finalizing the Details Checklist



Use the checklist below to keep you organized as you near closing. Add any extra items that are specific to your transaction, as necessary. **WE HIGHLY RECOMMEND USING AN ATTORNEY.**

| ITEM | DONE ✓ | NOTES |
|------|--------|-------|
|------|--------|-------|

Make any repairs you agreed to complete in the sales contract so that the buyer can have a final inspection conducted before closing.

Notify your lender that you will be paying off your mortgage and request a statement of the remaining balance.

Gather the warranties and instruction books for any of your home's appliances and systems, and prepare to give them to your buyer at closing.

Once closing has been scheduled, notify your utility, telephone, water, trash, and other services to notify them of your final billing date.

Get a copy of the settlement statement from the title company or escrow agent prior to closing. Review and question anything you don't understand. Pay attention to the amount of cash due to seller. This number should be within a few hundred dollars of the amount you calculated.

CLOSING THE DEAL: Closing Costs



CLOSING COSTS

The closing costs associated with selling your home usually ranges between 1% and 3% of the purchase price.

They include:

BUYER MORTGAGE COSTS

The party that typically pays fees associated with the buyer getting a real estate mortgage varies by state. These fees may include the loan origination fee, the appraisal fee, and the underwriting fees.

OTHER CLOSING FEES

These include attorney fees, title search and recording fees.

REAL ESTATE BROKERAGE FEES

Because you're selling your own home, there shouldn't be any brokerage fees. However, if you accept an offer from a buyer who was introduced by a real estate agent, you may be responsible for some broker fees depending upon what was agreed to with the buyer's agent.

CLOSING THE DEAL: Closing Checklist



On closing day, you will need to bring several documents. Consult the buyer's lender as well as your attorney to ensure that you have everything you need with you on closing day.

Documents you should bring with you:

| ITEM | DONE ✓ | NOTES |
|---|--------|-------|
| Tax bill from previous year | | |
| Sales Contract and Disclosures | | |
| Inspection Letters | | |
| Home Warranty | | |
| Photo ID | | |
| Other documents specified by lender or attorney | | |

CONGRATULATIONS! YOU SOLD YOUR OWN HOME.

What now? Remember to give the keys, garage door openers, warranties, and appliance manuals to the new owners. Don't forget to cancel your ForSaleByOwner.com listing (and MLS listing, if you had one).



INTERNET RESOURCE GUIDE

LOGIN TO YOUR ACCOUNT

www.forsalebyowner.com/login

FAQ (FREQUENTLY ASKED QUESTIONS)

www.forsalebyowner.com/help

REAL ESTATE FORMS

www.forsalebyowner.com/forms

SERVICE PROVIDER DIRECTORY

www.forsalebyowner.com/provider

HOME WARRANTY INFO

www.forsalebyowner.com/warranty

APPRAISER DIRECTORY

www.forsalebyowner.com/appraiser

FORSALEBYOWNER.COM SHOP

www.forsalebyowner.com/shop

Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure

(a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):

(i) _____ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

(ii) _____ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the seller (check (i) or (ii) below):

(i) _____ Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).

(ii) _____ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

(c) _____ Purchaser has received copies of all information listed above.

(d) _____ Purchaser has received the pamphlet *Protect Your Family from Lead in Your Home*.

(e) Purchaser has (check (i) or (ii) below):

(i) _____ received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or

(ii) _____ waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgment (initial)

(f) _____ Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852(d) and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

| | | | |
|--------------------|---------------|--------------------|---------------|
| _____ Seller | _____ Date | _____ Seller | _____ Date |
| _____ Purchaser | _____ Date | _____ Purchaser | _____ Date |
| _____ Agent | _____ Date | _____ Agent | _____ Date |

For more information about lead disclosure: <http://www.hud.gov/offices/lead/enforcement/disclosure.cfm>