



The "Deadly" Mistakes YOU Can Make When Selling Your Home "For Sale By Owner"

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Each year many Sellers make the same mistakes over and over again. When you add up the cost of these mistakes, they total more than a million dollars annually! This special report outlines the most common (and most expensive) mistakes made by Sellers.

Deadly Mistake #1

Hard Selling During Showings - People buy homes on emotion, not logic. Buying a home is always an emotional decision. People like to get a feel for the house to see if it is comfortable for them. It's difficult for a Buyer to get comfortable in a home if a Seller follows them around, telling them all of the things that the Seller has done to the house and pointing out every improvement that's been made. It often has the opposite effect by making the prospective Buyer feel that they are intruding into the Sellers private space.

Resist the temptation to talk to the Buyer the entire time that they are in your home. Leave the house if you can to allow them to discover the home on their own. Tasteful signs can be placed to point out hidden features they might miss. Another good idea is to have a photo album on the kitchen counter with photos of the home during other seasons.

Deadly Mistake #2

Mistaking "Lookers" For Buyers - The question is, "are they qualified to buy your home?" If you open your front door to everyone who walks down the street and sees your sign, you may be spinning your wheels. We recommend that you ask Buyers a few questions first to make sure they are qualified before wasting a lot of time with them.

A qualified Buyer is one who is ready, willing and able to purchase your home if it fits his needs. Over the years, we've found that many people who look at "For Sale By Owners" are curiosity seekers, neighbors, and people with poor credit hoping to get you to help them with financing.

Other Buyers may be qualified, but they are six months to two years away from being ready to buy. They don't want to bother a Real Estate Agent yet, so they call and look at "For Sale By Owner" homes to get a feel for what's available. Many of these folks have a home to sell first, or they need to save money for the down payment. When everything else is finally in place, that's when they seriously begin their search for homes working with a Real Estate Agent.

We always "screen" Buyers to make sure they are qualified before showing them homes. We don't show a Buyer a home unless we know they can afford the home, how much they have to put down, how good their credit is, how much they can pay each month, and how much money they will realistically walk away with when they sell their present home. By asking these questions ahead of time, you won't waste a lot of time working with a Buyer who may be unqualified or just looking for decorating ideas.

Deadly Mistake #3

Pricing Your Home Incorrectly - As a Seller, you want to sell your home for the most money possible. Putting too high of a price on your home will often get you less money than you would have realized by putting a fair market value on your home.

Keep this statistic in mind – On the average, Buyers are comparing your home to fifteen to twenty other similar homes. If your house is not priced competitively, people looking at your home may reject it in favor of superior homes priced very comparably. Overpricing your home usually increases the time on the market, and many Buyers are aware of how long homes have been for sale. The longer your home is for sale, the more Buyers are inclined to feel that there's something "wrong" with it, and the lower the offers will be.

Deadly Mistake #4

Failing To Prepare Your Home For The Buyer's Eye - Buyers look for homes, not houses. Buying a home is an emotional decision and they end up buying the home that makes them "feel" most comfortable. Sellers who fail to make necessary repairs, who don't spruce up the house inside and out, who don't do all the little things that make a home show like a model, will suffer from lower offers and longer market time. Think about it this way, if you were selling a car, wouldn't you wash it and give it an extra good cleaning inside to get the highest possible price?

Deadly Mistake #5

Signing A Long-Term Listing Without A Written, Specific, Performance Guarantee - Many times, an Agent has good intentions about marketing your home, but circumstances can change. Other Real Estate Agents are taught to take any listing for any price. Always protect yourself by making sure that you receive a written promise stating that you can cancel the listing, without charge, if specific written performance guarantees are not adhered to by the Realtor. Sellers who don't heed this advice sometimes wind up tying their home up for months on end, with absolutely no activity. Always protect yourself by getting a written guarantee with the right to cancel.

Deadly Mistake #6

Not First Obtaining A Market Analysis And Commitment For Financing From A Home Lender - How would you feel if your home sold for less than it was worth? A market analysis is a tremendous marketing tool for your home because Buyers are afraid of paying too much for a home.

Much of the real estate advice that you've received in your life has been "make a low offer". Without a market analysis, you are just guessing at the value of your home and, when you get an offer, you'll be guessing as to whether or not the offer is fair. Just going on a hunch has cost many Sellers thousands of dollars. A market analysis gives you a point of reference, a "benchmark" of value on which to base your decisions. More importantly, it helps you sell your home for full price, because the Buyer can see that the price was realistically established by an analysis of homes that have already sold with similar characteristics in your neighborhood.

Deadly Mistake #7

Making It Hard For Qualified Buyers To Obtain Information - The two marketing tools that consumers think Realtors use to sell homes (open houses and classified ads) are actually not very effective at all. Surprisingly, less than one percent of all homes are sold at open houses. As a matter of fact, Real Estate Agents use open houses to attract potential prospects, and very seldom actually sell the home itself. Furthermore, dozens of advertising studies show that less than three percent of people purchase their home as a result of a classified ad.

We recommend that you use a 24 hour real estate hotline dedicated specifically to your house so that Buyers can obtain information on your home 24 hours a day. Another marketing technique is to distribute flyers throughout the neighborhood and surrounding area where homeowners may be interested in moving up to your house or know someone that might want to move into the area.

Deadly Mistake #8

Not Using A Written Purchase Agreement - Many Sellers think their home is sold, only to find out weeks or even months later that the Buyer was not able to obtain a home loan. Other Sellers find out too late that dozens of items such as surveys, title insurance contingencies, assessments, tax prorations, pest inspections, structural inspections, and a host of other details can come back to haunt them if not properly addressed right at the very beginning. It's not uncommon to see a Buyer willing to terminate a transaction only to have a Seller cave in and absorb the expense of an item that realistically should have been a Buyer's expense to begin with had it been written into the purchase agreement.

Deadly Mistake #9

Not Obtaining Written Pre-Approval From the Buyer's Lender - A written pre-approval is a formal written promise by a home lender to make a loan on your home for the Buyer. It is not a "pre-qualification", which is often ridden with contingencies and is not binding. The Buyer's lender should provide you with a written pre-approval at the time of the purchase offer.