

FSBO Survival Kit!

Provided by Team "Mr. Real Estate"



www.Homes3030.com

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Dynamic Properties

To assist you in the sale of you home I invite you to check out the following:



Team "Mr. Real Estate"
www.Homes3030.com

Pass Your Home Inspection http://homes3030.com/pass_inspection.htm	Property Search http://www.homes3030.com/propsearch.htm
Ten Inside Seller Tips http://www.homes3030.com/fsbo.htm	9 Seller Mistakes http://www.homes3030.com/seller_mistakes.htm
Selling Myths http://homes3030.com/buyer/image/selling_myth.pdf	Mortgage Talk http://homes3030.com/mortgage_talk.htm
27 Tips http://www.homes3030.com/seller_tips.htm	Seller's Seminar http://www.anchorahomesellerseminar.com/

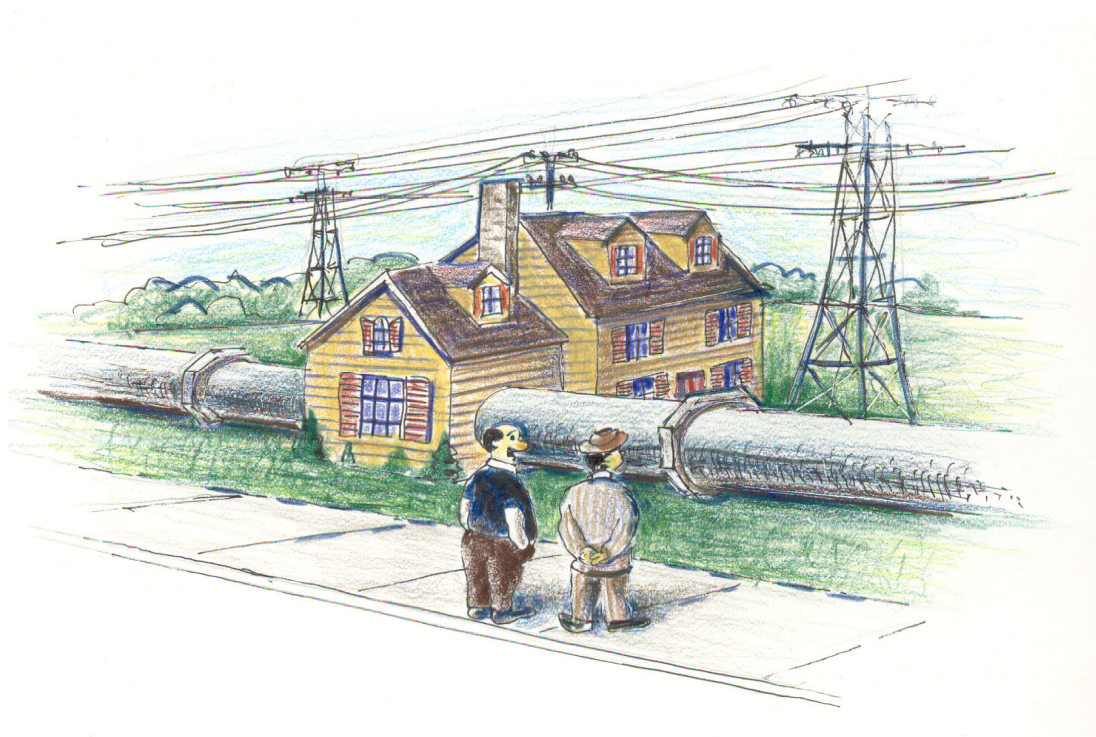
Example Web Page we offer for your home
<http://www.homes3030.com/homes/01-08100>

Steps in the Buyer/Seller Process

BUYERS

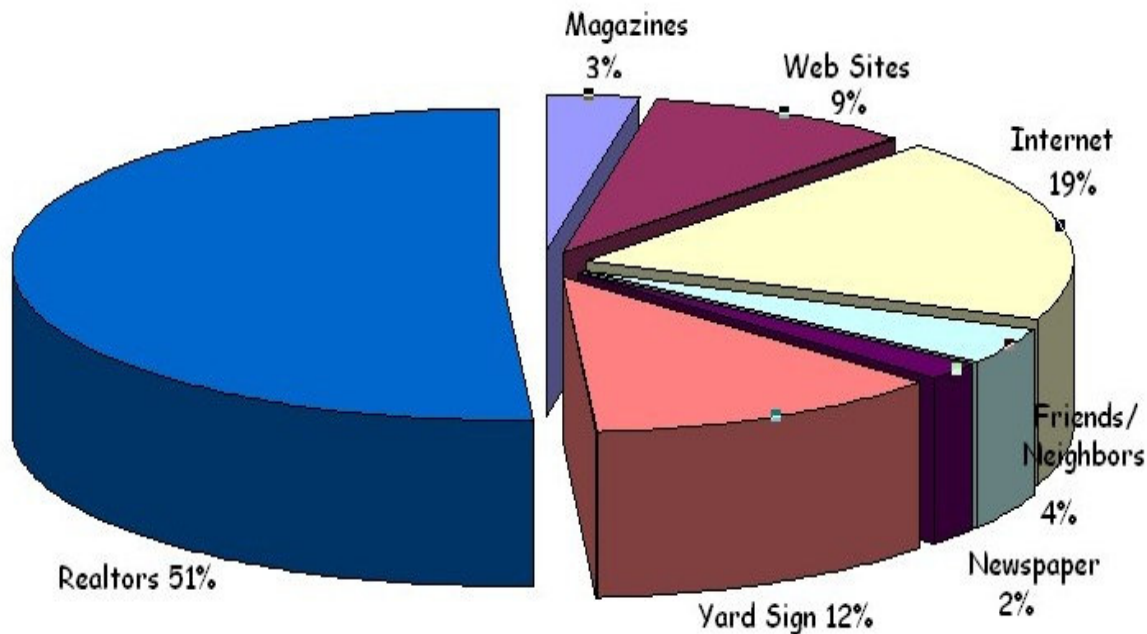
SELLERS





Fred, you bought this from a FSBO and look at the problems you have!
And now you want to sell as a FSBO? What's wrong with this picture?

Where Do Buyers Come From?



Note:

Statistics above are from the National Association of Realtors and reflects the national picture. Looking at the national picture, the web/internet equals 28%. When we look at Alaska, it is interesting to note that the web/internet plays a much larger role. For Alaska that figure is around 42%. One last trend worth noting; newspaper ads, which by far are the most expensive, are the least effective! (63% of Generation-X does not subscribe to the newspaper.) Like it or not, it's a brand new world out there.

The Myths and Realities of Cost!

Some believe that by cutting the Realtor marketing fee one saves a bunch of money.

In fact – they are losing money and taking on unnecessary added risk that could cost dearly. As your real estate professional I will in fact save you money, time and represent/protect your interests.

Cost will always be a part of the selling process.

Here's a short list of your cost:

- √Taxes – any special considerations to note, or advantage to explore?
- √Financing – how will my bottom line be affected?
- √Home Inspection – what repairs are necessary, can seller choose?
- √Appraisal – how much, when, and who will defend my price?
- √Title Insurance – who pays, when and why?
- √Real Estate marketing fees – what's best and who pays?
- √Security – what's at risk?
- √Convenience – do I really have the time, knowledge and patience?

For Sale by Owner (FSBO) hidden costs are not free.

Consider the following:

- Ad programs – who pays the bill?
- Buyers – who's screening and qualifying these strangers?
- Process – who's protecting my interests?
- Sale – who's in charge, & who is drawing up the paper work?
- Law suits – who's on my side?

What's the value of my professional Realtor services?

- »3% to 5% increase in sales price.
- »29% shorter marketing time.
- »86% of all FSBO's list.
- »93% of all buyers use a realtor.
- »100% peace of mind!

Again, the trick is not eliminating costs - that simply is not possible. Managing and understanding the cost is the secret! Why do you think my lawyer, doctor, professional clients call on my team when it comes time to upgrade, sell or find a home for one of the kids? They know that too much is at stake. Over the years I have asked some of these individuals why, with their background and experience, they use my services as a professional Realtor. In order of importance they have said that my service **saves them money, allow them better use of their time, protects their interests** and **gave their spouse peace of mind**. We would be delighted to work with you and produce these same results for you!

Did You Know?

**When you list your home with Team "Mr. Real Estate" you have over 1,800 Realtors in the Anchorage MLS system available to bring you a buyer.

**There are over 12 different people behind the scenes who participate in processing and obtaining loan approval. It's only reasonable that the buying and selling process should be managed by a Realtor professional.

**National studies indicate that 81% of all FSBO's eventually list and sell through using the services of a Realtor professional.

**Maximized exposure equals the greatest net return.

**The average FSBO can only offer limited accessibility.

1. Can you afford to be tied to your home, waiting for the phone to ring?
2. Don't count on answering machines or children to handle the calls.

Note: Few serious buyers leave messages or call back!

**The biggest frustration a FSBO has is the unqualified folks that come to look at their home. While working with Team "Mr. Real Estate" you'll know that the buyer is QUALIFIED and not just a looker! In this day and age, opening up your home to STRANGERS needs to be entrusted to an experienced professional.



One unexpected Snag could wreck your day!

Advantages of Listing with a Realtor

△ Your time is valuable! Let me save you time!

△ I am more likely to sell your home for MORE MONEY because I can offer you greater exposure.

△ As a third party I can obtain prospects' TRUE opinions of your home and relay those comments to you.

△ If I schedule with you to show your home to a prospective buyer, you'll know that the buyer is qualified!

△ You won't personally be opening up your home to STRANGERS and having to deal with that uncertainty.

△ You can save your money by not having to advertise your own home!

△ You can allow me to professionally represent your selling interests and I will be accountable for all the details!

\$\$ Why FSBO's Are Offered Less \$\$

Buyer knows the seller is not paying a commission.

FSBO properties attract bargain hunters and speculators.

Buyers, unsure of property values, will offer less.

Buyers have no one to help them make a decision.

FSBO properties have less exposure to potential buyers.

FSBO owners often give too much information.

FSBO owners often lack negotiating skills.

FSBO owner lacks ability to stage and present home.



A casual stroll in the woods could produce unexpected results.
Selling as a FSBO could invite similar consequences!

Selling your home successfully

is an exercise in understanding and mastering three key elements:



1. Determining current market values correctly;
2. Understanding current market trends/conditions and absorption rate;
3. Formulating & exercising a successful selling game plan.

Questions for Qualifying Buyers

- Where do you work?
- What is your job position?
- Is this a lateral or an upward move for you?
- Is there a salary increase involved or are you getting a housing allowance?
- Is your company assisting with your down payment?
- Are they paying any of your closing costs?
- Does your spouse work?
- Will their job transfer them too?
- Does your spouse have any job prospects at this time?
- What are your combined incomes going to be?
- Where do you currently live?
- What buying price range do you have in mind?
- What is the current mortgage balance on your current home?
- What are your monthly payments?
- How much time is it going to take to sell your current home?
- Do you have a relocation company that is going to protect you on that sale?
- Do you have to sell your current home before you can close on a new one?

FIVE MAJOR CATEGORIES OF HOME SHOPPERS

"First time" Home-Buyers:

Often young, perhaps even recently married; these buyers have a strong need for guidance and reassurance. Most do not understand the home-buying process and are afraid or unaware of how to make an offer.

Transferees:

Team "Mr. Real Estate" works with buyers who are relocating to the Anchorage area. Transferees do not know the city, home values, neighborhoods, or schools nor do they have the time to play the For Sale By Owner game. They want the confidence of knowing their transaction will be handled professionally so they can concentrate on their family needs and the new job. Because of this, this group uses the services of a professional.

Move-up Buyers:

Mainly professionals and executives, they are busy and don't have time to sort through hundreds of small classified ads or just drive around searching for signs. This group will call on a real estate professional who has access to all pertinent information and systems to make things happen smoothly.

Investors:

Many investors prey on FSBO's; they are shrewd businesspeople with an eye for a steal - something they feel they can make a good return. They only buy if it's a great deal.

Nosy Neighbor:

Say hello to the "snooping neighbor" who needs to be in the know about what's going on in the neighborhood. They rarely buy but will waste plenty of your time!

Sixteen Most Commonly Asked FSBO Questions

1. What questions will buyers most likely ask me when they look at my house? Buyers want to know about room sizes, history and age of the house, warranties, earnest money needed, contract format, financial help, title information, and any inclusions/exclusions.
2. What questions should I ask potential buyers as they are looking at my house? Ask buyers if they have a home to sell, their closing dates, and how they'll handle the deposit, down payment, method of financing, and necessary financial qualifications to buy your home.
3. How do I determine the price for my home? Research the selling price for all homes recently sold in your area. This helps you determine a fair market price. Be sure to judge your home's value against homes of similar size with like amenities. Team "Mr. Real Estate" could assist you at this point.
4. Isn't it true that I will save the commission if I sell it myself? Most For Sale By Owner sellers believe this. However, only 8 to 12 percent of all buyers buy from owner sellers. And these buyers are well aware that the seller is not paying a commission, so they always bargain for the difference, and sometimes for more. These bargain hunters are out for a "steal," and they can be intimidating negotiators.
5. It will be easy to sell my home in my spare time, don't you think? Buyers call at any possible time – not just on evenings and weekends, when you're home from work. Actually, they tend to call most during regular business hours.
6. What are my best sources for buyers? The single best source of buyers is a Realtor/agent. (88 to 92 percent of all buyers use Realtors.)
7. How can I make my house more presentable during showings? A Realtor can give you a third party view of your home and make some timely suggestions or offer a staging professional to assist. Team "Mr. Real Estate" offers the services of a staging professional to assist you when it comes to preparing your home.
8. What should I say during the showing of my home? It's best to say as little as possible during showings. Allow people to wander through and imagine their families and belongings in your home. Only answer questions and point out warranties, benefits, and inclusions, when appropriate.

9. If I list with a Realtor, will the number of people looking at my home increase? Not necessarily. In general the vast majority of showings a FSBO conducts will be with unqualified individuals, people just looking, and people in the area who are just curious. Team “Mr. Real Estate” qualifies each buyer before setting up an appointment to view your home.
10. How do I know if a buyer is financially qualified? As a professional I personally take the prospective buyer to a lender to get them prequalified. Ask the prospect if they have visited with a lender and are they prequalified?
11. What do I need to know about the written real estate contract? Real estate contracts have protections for both buyers and sellers. They also have four areas of specialty: financing, contingencies, inclusions/exclusions, and important dates.
12. What happens during the contract negotiations? Contract negotiations need to be as professional and unemotional as possible, or the deal could fall through because of angry differences of opinion.
13. How can a Realtor negotiate better than I? After all, I know my home best. A Realtor is a third party, thus, unemotional about the home. He or she is also trained in negotiating home sales. Additionally, Team “Mr. Real Estate” may be able to impress upon your buyer the value of your home in a way that the buyer might distrust coming from you.
14. What do I need to do between contract and closing? Again, this is covered by numerous checklists and reminders from your Realtor.
15. How can Team “Mr. Real Estate” actually save me money? Realtors have a greater ability to negotiate and impress upon buyers the fair market value of your home. Because of this studies show that Realtor-sold homes sell for 9 percent more money than owner-sold homes.
16. What final advice can you give me? It is only through knowledge that good decisions are made, so you owe it to yourself to investigate the possibility of interviewing with Team “Mr. Real Estate.”

Open House Tips

For the Sale by Owner

1. Look in the newspaper in the classified real estate section to determine which day is most popular for open houses ads.
2. Schedule your open house at least one week in advance.
3. **Restrict** the total open house hours to three or less (1p.m. to 4p.m.)
4. Place directional arrows starting about three or four blocks away from your home.
5. Place a highly visible Open House yard sign in front of your home.
6. Leave space for Visitors to park.
7. **Remove all debris** from in front of the house; your front porch area and entryway should sparkle.
8. **Turn on all lights**, including those in closets, and open all draperies.
9. Place your property brochure or other printed materials in the entry area.
10. Have extra clean bathrooms and close all toilet lids.
11. If the home features very organized closets, open a few for inspection.
12. Verify that valuables are not accessible.
13. Tune in soft music on the same radio station in each available room.
14. Consider a guest registration book for visitors to sign.



Saving a commission can prove
to be very expensive!

Getting Your Home Ready

{Tips to Get in Tiptop Showing Shape}

△ Clean!

Look at your home as though you are seeing it for the first time. Is every room neat, spotlessly clean, dusted, and uncluttered? Steam clean carpets and wash floors. Wash walls, windows and light fixtures. Use polish on all trim and wood surfaces. Tighten loose stair railings. [Call us for a recommendation if you would like to use a professional cleaning service or repairman.]

△ Kitchen and Baths

These rooms should gleam! Clear off counters. Clean all appliances and fixtures. Replace chrome burner plates on the range. Scrub floors and walls-repaint if necessary. Recaulk tubs and showers. Clean thoroughly and be sure these rooms smell fresh.

△ Furniture

Rearrange or remove furniture to make your rooms look more spacious. Pack away knickknacks from end tables and coffee tables. One or two item per surface is plenty.

△ Closets

Remove out-of-season clothing. Take those things to Goodwill that you'll discard anyway when you move. Organize shelves; straighten shoes. Be sure that sliding doors operate smoothly in their track and knobs of drawers are secure.

△ Utility Room

Dust/wash off lint from washer and dryer. Remove stains and mineral deposits from furnaces; even dust and polish the furnace and hot-water heater.

△ Think Light and Bright!

Do everything you can to brighten the interior. Replace dim bulbs with bright ones, replace wallpaper with off-white paint, repaint shabby or dark walls, and replace dark or worn carpets with neutral colors. Open the blinds and replace broken windows and window seals. During the winter, maintain a comfortable temperature even if you are away for an extended time. There is no one music that soothes all beasts, so play it safe by turning off your stereo.

△ Yard

Look at your home's exterior as though you were driving up for the first time. Remove any debris; re-paint/re-stain, where necessary; park any stored car, camper, or motor home somewhere else. Each season has a need. In spring and summer, trim bushes and mow the grass around your home. During the fall, keep leaves raked and sweep walks. In winter, be sure your drive and sidewalk are free of ice and snow.

△ Deck/Patios

Clean, straighten, and re-paint/re-stain if necessary. Tighten loose railings. Neatly arrange the patio furniture and toss out old or rusty items.

△ Front Entry

First impressions really do count. Be sure the front door and screen are in good repair. Paint the front door a warm, rich, inviting color. Sweep away any pine needles and cobwebs. We tend to overlook this area, especially when we don't enter our home through the front door.

△ Pets

The presence and /or odor of a pet should be avoided. Even a friendly dog's barking can frighten a buyer. If you can't remove your dog, try to confine him to the garage or dog run. Cats and cat boxes may bring tears to the eyes of a buyer (due to allergies or not-so-fond feelings). Be sure litter boxes are clean. Have your cat stay at a neighbor's or friend's home, if possible.

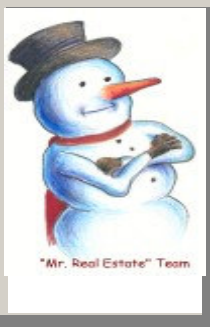
△ It's All Important!

Do these things now and get the benefit of enhanced appeal to the buyers. Since buyers tend to "horrible-ize" every minor flaw, minor repairs performed now will help prevent delays in the sale of your home later. The dollars you spend now will repay you tenfold.

△ It's All Important!

Be sure to set up a cleaning maintenance plan with your family. Even the smallest of children can participate in keeping the house clean and often enjoy being able to contribute to the family chores.

Your Realtor:



The Mr. Real Estate Team

REAL ESTATE *Update*™



Which Repairs Should You Make Before the Sale?



If you're preparing to place your home on the market, it's inevitable that you'll need a couple of minor repairs and slight improvements before that "For Sale" sign can be driven into the front yard.

Practical projects like a fresh coat of paint require little time or money but can make your home more attractive -- and more attractive homes are likely to sell faster and for more money.

But what if an item needs repair, something which doesn't jeopardize anyone's health or safety -- a problem of the "out of sight, out of mind" variety. Should you simply disclose it and leave the buyer to deal with the problem? Or should you fix it before placing your home on the market?

Before making any decisions, consider that repairing the problem could result in a higher sales price. It's sweet music to any buyer's ears to hear the terms "new" or "just replaced" as they walk through a home.

Think of it this way: A move-up buyer or transferee has a good idea of what it takes to operate a home. The goal here is to move in with the fewest costs and headaches, so making repairs in advance is a big selling point.

For first-timer buyers the situation is somewhat different. First-timers also want to reduce both headaches and costs where possible, but there is another issue as well: Buying a first home is a big step, financially and psychologically. Adding another cost or problem to a list of general concerns might be a deal-breaker, one more reason not to buy.

Another point to consider: Many if not most home sales today include the use of a home inspection clause. Depending on how it's written, this clause can allow buyers to terminate a contract if the inspection is not "satisfactory" to them or if certain repairs are not completed.

If the inspection uncovers an item which needs to be repaired, what does the buyer do? The buyer asks for a discount -- sometimes a very ambitious discount based on an inflated view of repair costs. In effect, some purchasers will use an inspection clause to re-open the entire bargaining process.

When considering minor aesthetic improvements, your decision should depend on local market conditions. The questions to ask are: What's needed to be competitive -- and what's not? In a hot seller's market you may not need to change a light bulb, while in a buyer's market your list of repairs and upgrades may be extensive.

While not fixing up is one problem, fixing up too much -- *over-improving* -- is also an issue. The usual rule for buyers is that they purchase the least expensive home in the most expensive neighborhood they can afford. The result is that a house with too many improvements may be priced at the top of the local market, not the best place to be from a selling standpoint.

An over-improved house -- or one without appropriate repairs -- is likely to languish on the market, to become "stale." This is a major marketing problem because the longer a home is available for sale, the less likely it is to sell for top dollar.

Equally troublesome, the longer a home remains available for sale, the more it costs the owner in terms of monthly mortgage payments, tax obligations and insurance costs. A delayed sale can also slow the purchase of a replacement property.

What repairs and improvements should you make to get top dollar? Every home is different, so get together with your REALTOR® and determine what's best for today's marketplace.

Written by Realty Times Staff



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Selling as a FSBO could prove to be a SHOCKING experience!