



HOME SELLER GUIDE

What You Need to Know About Selling Your Home

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Introduction

Years ago, real estate agents were gatekeepers. You didn't know what was on the market, and there were printed books. All that has changed, and now the information is easily accessible thanks to the internet. Because the internet has made this information so accessible, sellers are looking for their real estate agent to bring value to the experience of selling their home. Sellers don't need answers to the questions, they need their agent to interpret the information and answer the question of "what's the best decision for us?"

The Yaffe Team is here to add that value. We want to know your story, we want to build that trust and get you to the next stage in your life. Our clients appreciate the professionalism and knowledge we bring to their transactions and above all... they trust us.

When you're ready to make your move, give us a call!

Linda Yaffe, Yaffe Real Estate



Should I Sell My Home or Rent It Out?

When homeowners ask us this question, there are a series of questions that we ask the homeowner in return to help them evaluate all of their options and arrive at the best solution for them. Because no two situations and no two clients are the same, everyone answers these questions differently. Therefore, a personal and confidential conversation is best.

1. What is Going On? What is Your Situation?

Usually the homeowner either wants to move (wants to upsize, downsize, change neighborhood, etc.) or has to move (relocation, deployment, change of relationship or job, etc.) and does not know which way to turn because their numbers are usually very tight. The more information that the homeowner shares, the better. We know that some of these situations are sensitive but it is so important that we have as many facts as possible.



2. What is the address and subdivision of the home?

We need to complete a market analysis of the home both as a sale and as a rental. Is the home in need of repair or is it turn-key? These answers help us arrive at a realistic value. We prefer to be conservative on our numbers so that you can plan your move accordingly. If we get more money than planned - great!

3. What Do You Owe on the Home?

We need to know the payoffs for all mortgages, including home equity lines so that we can calculate how much equity, if any, the homeowner has in the home. We also need to know if the homeowner is behind on mortgage or HOA payments and, if so, how far behind.



4. What are the Trends in Your Community?

Are homes appreciating or depreciating? What are the employment and new construction forecasts in the area? What do we see happening? We are involved in our communities, attend HOA meetings and stay current on the news. We can share our thoughts on the future values in the community.

5. Are You Able to Sell?

If you owe more than market value, do you have cash to bring to the table? Is it liquid or in a 401k? Do you qualify for a short sale? What are the pros and cons for you of both of these options? We are Certified Distressed Property Experts and have helped many homeowners through the short sale process. We will weigh all options for you.

6. Are You Ready to Be a Landlord?

If you are leaning towards renting out your home, do you have the temperament to be a Landlord? Can you handle the landlord/tenant ups and downs? We want to make sure that you have a realistic picture of what it is like to be a Landlord and that you understand the responsibilities. We strongly suggest that you hire a property manager so that you are not dealing with the day to day issues of property management. We will review all of this with you in detail.

After this discussion, usually the answer to whether you should sell or rent becomes obvious for you. By offering both sales, rentals and property management all under one roof, we can have an honest, open dialogue so that we can find the right solution for you and your family.

What is My Home Worth?

When selling, purchasing, refinancing or remodeling a home, one of the first questions you have to answer is: “How much is the home worth?” Determining the value of your home is one of the most important pieces of information a seller or buyer needs when making a decision about selling or buying a property. Knowing the value helps buyers make an informed decision and provides sellers with the tools they need to decide whether or not to put a home on the market and how to price it to sell quickly.

Comparables and Appraisal

There are a couple of ways to find out what your home is worth: 1) obtain a comparative market analysis (CMA) prepared by a real estate agent; or 2) hire a certified appraiser to conduct an appraisal of the property. Both are considered to be an “opinion of value.”

A CMA consists of a detailed report which compares your home to similar properties as it relates to location, age, condition, size and amenities. The report compares data from the following homes:

- **Active listings**
- **Pending sales**
- **Sold properties**
- **Expired listings**

The CMA provides a price range-- low price, median price and high price. A CMA can vary between agents because of the selection of homes they believe to be comparable.

A licensed or certified appraiser provides the final word when it comes to determining a home's

value. Like a CMA, an appraiser considers similar homes and other factors. However, it requires a formal, regulated process that utilizes three approaches to determine value.

Factors That Affect Home Values

Sellers and both personal home buyers and investors can benefit from having an understanding of the factors that drive home values. Often, the functionality and style of a home have inherent value that is difficult to measure objectively but does help attract buyers to the home. These include architecture, quality of construction, and landscaping. Property values are based on other factors, including:

- **Location** - This encompasses community and neighborhood and is widely considered the most important factor. A home located in an attractive area that has a low crime rate, sufficient resources, efficient city services and a thriving business district, commands a higher price compared to a neighborhood perceived as unsafe.



- **Schools** – The quality of schools and home value go hand in hand. In a Wall Street Journal article Michael Sklarz, President of Collateral Analytics, stated that when housing prices trend down, “areas with exceptional schools tend to hold their value better than the market overall.”
- **Amenities** – Features such as libraries, green space, bike paths and other features that can enhance property values.
- **Transportation** – Easy access to public transportation and to freeways for getting to work and schools and shopping have always been pluses for driving property values.
- **Zoning and planning** – Community development plans and zoning decisions can have a positive or adverse effect on home prices.

In addition to the above elements, indirect dynamics like the economy, influx of new residents and natural disasters can impact a home’s worth.

Assessed Value and Last Sale Price

Do not rely on the tax information or “assessed value” to determine a property’s worth. Local County Assessor’s Offices compute this value and it varies significantly from one jurisdiction to another. Furthermore, this number may or may not have a bearing on the current market value of a home.

In addition, it is unwise to rely on the “last Sale Price” of the home. The previous buyer may have purchased at a discount or paid too much for it.

Ultimately, the value of a home depends on what a qualified buyer is willing to pay, and what the seller is willing to accept.

What is the Cost of Selling a Home in Maryland?

Are you considering selling your home and wondering how much it costs to sell a home in Maryland? Your family and home are one of life's biggest assets and deciding to sell is not always an easy or clear decision.

Discovering Your Maryland Home Value

One of the first steps you need to take before putting your home on the market is to determine its market value. In real estate, home values are constantly changing and local market values can vary dramatically from national averages. Depending on where your home is located in the Maryland area, your real estate agent can prepare a comparative market analysis of your area to help determine its market value.



Estimating Your Maryland Sellers Costs and Net Proceeds

Once you pinpoint the market value of your Maryland home, you can then gain a better idea of how much you'll walk away with once the deal is completed and there is a sold sign in your yard. Having an estimate of how much you will net after the sale of your home will be particularly useful when you begin looking for another home to purchase.

In order to estimate your net profit, you'll need to subtract the designated seller's costs, buyer's and seller's shared costs and the closing costs. Maryland seller's costs include things such as:



- Payoff figure of your present loan amount
- Applicable broker's commission
- Any prepayment penalties due on your mortgage
- Associated attorney's fees
- Any unpaid outstanding property taxes or homeowner's association or condo fees

A few things that sellers might have to share the cost with buyers on their Maryland home are:

- Title insurance premiums (For example, title insurance for a \$250,000 home might be \$950 - there are several online Maryland title companies that feature built in calculators for assistance with estimating your costs)
- Transfer taxes
- Inspection and repairs for insects such as termite damage
- Survey fees
- Recording fees
- Home protection plans
- Homeowners Association transfer fees and preparation of any documents required

Closing costs are also something to be considered, but are essentially an agreed upon amount between you and your buyer. As the seller, you can set up an arrangement that is suitable to you. Currently there are no local or Maryland rules that require a seller to set a designated amount. Your real estate agent can help you estimate what your closing costs will be and negotiate the percentage that the buyer will be responsible for.

10 Most Common Mistakes Sellers Make and How to Avoid Them

There are many mistakes a seller can make that can make selling your home more difficult or a longer process than it needs to be.

Pricing Too High

Overpricing is the most common mistake that will discourage buyers. Your home competes with other homes – many that may be larger, newer and/or have more amenities than yours. By overpricing your home you exacerbate the faults of your home. A good agent will understand the market and will help guide you to price your home competitively while still benefiting your bottom line to ensure your home sells in a timely manner.

Poor Condition

What type of condition is your home in? If your home is in good repair, you have a greater likelihood of selling your home for top dollars. If your home is in disrepair or hasn't been updated in many years, buyers may view it as a money-pit.

Curb-Appeal

How does your home appear during a drive-by? Is it attractive to passersby? Your home will gain more attention and more showings by having an attractive curb appeal.

Dreary and Dark

Buyers like updated, light and bright homes. Dark carpets, paint and curtains can turn off buyers. Open your windows and let the sun stream in. Light some candles to rid your home of offensive smells from pets or smoking. Focus in on the living room, family room, kitchen and master bedroom – the entire atmosphere of your home is set from these rooms.

Don't Over-Improve

Get your home in good condition for showing, but don't over-do it. Don't overhaul your kitchen, or expand room sizes as large remodels like this may not pay back your investment.

Be Financeable

Problems such as bad roofs, bad exterior paint and structural issues may make your home unfinanceable. The wider the scope of financing that your home will qualify for, the higher the overall market value. Programs like VA and FHA will be pickiest.



Get Good Advice

Hiring a professional agent will help you get your home priced right, and will strategize with you on which fix-up projects are worth tackling. A strong agent will get your home exposed to the largest number of potential buyers. Paying the agent fee is often the least expensive part of selling your home. Trying to sell your home yourself can be costly and often, 'for sale by owner' homes close for less than comparable homes sold by an agent.

Get Out of the House

Don't be around when your home is being shown so go for a drive, a walk. An agent will do their best job showing your home when you're not there. Also, buyers will feel more at ease and are more likely to spend time looking at all the features and benefits of your home.

Let Your Agent Negotiate for You

If there is ever a good reason to have a veteran agent working for you, it's during the negotiation of your home sale. A good negotiator can mean thousands of dollars to you and they will protect your interests. Try to separate your emotions from your business side, and remain cool and calm during this period.

Act Fast

When you finally get an offer on your home, act quickly and decisively. Letting offers linger without acting can be a huge mistake. Things change quickly in the mind of a prospective buyer. Acting quickly while the excitement and interest are at a high point is important. Typically, a buyer's motivation level will decrease with time and even trigger buyers' remorse in some cases.

Staging Your Home to Sell: Easy Fix-Ups for You to DIY

As you prepare to sell your home, you should be aware that there are a few factors that may influence how quickly and how much your home may sell for. Some of these factors may include: location, size and age of your home, your home's condition. However, subjective factors that may influence how a potential buyer feels about your home may affect the speed and final price of your sale as well. These factors may include: the decor and layout of your home.

If you are ready to help your home sell quickly, you may want to spend some time staging it. Because your home has likely been tailored to the needs and tastes of your family, this may be more challenging than you think. Here are a few things you can do to make your home ready to be shown:

Depersonalize Your Home

Homes that are too personal to the owner are hard to show. Potential buyers may like the home, but have difficulty picturing themselves in it with all of your mementos and personal treasures. Therefore, the goal is to get your home to a minimalist, Pottery Barn like look, similar to a model home.

- **Remove clutter** such as pictures off the refrigerator, photos off the wall and other knick knacks cluttering up shelves and other counter spaces.
- **Hide your** personal hygiene items from the bathroom.
- **Pack up** toys.
- **Pack up** out of season clothing to make closets look more spacious.

Neutralize Your Home

Make sure paint colors in all rooms are neutral. Touch up any spots that may be scratched up or any holes from items being hung up.

Make Sure It's Well Lit

Turn on all lights before you leave, and open curtains or blinds if a showing is during the day to let in natural light. Keeping doors to rooms open encourages the interested buyer to tour the home thoroughly.

As you consider staging your home, remember that you can do much of this staging yourself, however there are professional staging companies if that is within your budget. Your real estate agent can help you with tips and tricks that have worked in other properties.





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