

Royal LePage

Guide to Selling your Home



ROYAL LE PAGE

www.royallepage.ca

Royal LePage Guide to Selling your Home

“Guide To Selling Your Home” has been prepared by Royal LePage Realtor to help you in answering your questions about the selling process. It outlines the steps that will help you to obtain the best results when you list your property for sale.

Understanding Market Conditions

The real estate market is always changing. It helps to understand how market conditions can affect your position as a seller.

MARKET CONDITIONS	CHARACTERISTICS	IMPLICATIONS
Buyer's Market: The supply of homes on the market exceeds demand.	High inventory of homes. Few buyers compared to availability. Homes on the market longer. Prices tend to drop in this type of market.	Your home may take longer to sell. Less negotiating leverage in terms of selling price.
Seller's Market: The number of buyers wanting homes exceeds the supply or number of homes on the market.	Smaller inventory of homes. Many buyers. Homes sell quickly. Prices usually increase.	You may have more negotiating leverage and obtain a higher selling price for your property.
Balanced Market: The number of homes on the market is equal to the demand or number of buyers.	Demand equals supply. Homes sell within an acceptable time period. Prices generally stable.	More relaxed atmosphere. Buyers have a reasonable number of homes to choose from.

Your Royal LePage Realtor can tell you the market conditions at the time you are considering selling your home.

Pricing Your Property

The single most important decision you will make with your Royal LePage Realtor is determining the right asking price for your property.

Once you've achieved a realistic sale price, you can count on your property being professionally marketed and promoted to bring more buyers to your door. You can also expect to sell your home for the best possible price in the least amount of time.

The Benefits of Pricing Right

- 1 Your property sells faster, because it is exposed to more qualified buyers.
- 2 Your home doesn't lose its "marketability".
- 3 The closer to market value, the higher the offers.
- 4 A well-priced property can generate competing offers.
- 5 Realtors will be enthusiastic about presenting your property to buyers.

Determining the Value of Your Home

The market ultimately determines the true value of your property.

Before you compare your home to similar properties and establish a competitive list price, the following points should be considered:

- Location
- Size
- Style
- Condition
- Community Amenities
- Buyer Supply
- Financing Options

Getting to Know Your Market

A comparative market analysis is an indicator of what today's buyers are willing to pay for a home. It compares the market activity of homes similar to yours in your neighbourhood. Those that have recently sold represent what buyers are prepared to pay. The homes currently listed for sale represent the price sellers hope to obtain. And those listings that have expired were generally over-priced or poorly marketed.

Your Royal LePage Realtor will prepare a comparative market analysis for your home based on the most current market information. Together, you and your Realtor will establish the proper list price for your home.

Understanding the Factors that Influence Overpricing

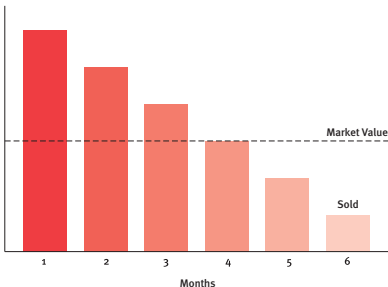
- Extensive renovations/hidden costs
- Desire to purchase in a higher-priced area
- Original cost of the home was too high
- Lack of real market information
- Building in "bargaining room"
- Perceived emotional value

The Result of Overpricing

Many sellers believe that if they price their home high initially, they can lower it later.

Often, when a home is priced too high, it experiences little activity. Gradually, the price will come down to market value, but by that time it's been for sale too long and some buyers will be wary and reject the property.

On occasion, the price is dropped below market value because the seller runs out of time. The property sells for less than it's worth.



Missing the Right Buyer

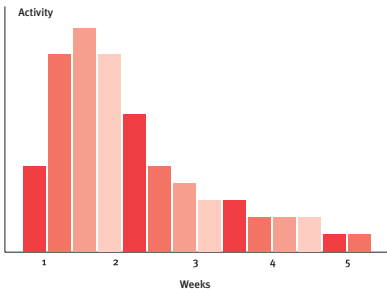
You may think that interested buyers "can always make an offer", but if the home is over-priced, potential buyers looking in a lower price range will never see it.

Those who can afford a home at your asking price will soon recognize that they can get better value elsewhere.

The Importance of Early Activity

As soon as a home comes on the market, there is a flurry of activity surrounding it. This is the crucial time when Realtor and potential buyers sit up and take notice.

If the home is overpriced, it doesn't take long for interested parties to lose interest. By the time the price drops, a majority of buyers are lost.



Agree on a Marketing Plan

Your property is not something you sell every day. In fact, for many people it is their largest asset. A house is very complex to market and the process needs to be well organized. To do the job properly, a plan is needed.

Your Royal LePage Realtor can prepare a personalized plan for you containing all activities intended to market your property. At Royal LePage, your property will be aggressively promoted through Royal LePage's own property advertising publications and Internet site, other Royal LePage offices and Realtors, the MLS Information Library (unless it's an exclusive listing) and mailings to potential buyers in your area.

Signing a Listing Agreement

The first formal step in marketing your property is to enter into a Listing Agreement – a contract that commits Royal LePage to actively market your home for a specified period of time. It also commits you to a pre-established marketing fee that is to be paid upon the successful closing of the sale.

Your Royal LePage Realtor may require the following documents:

Plan of Survey of Location Certificate: A survey of your property which outlines the lot size and location of buildings as well as details of encroachments from neighbouring properties. This may be required in certain areas to complete the sale of your home. Your legal professional may recommend that you obtain a survey, especially if significant changes have been made to your property.

Property Tax Receipts: Most Listing Agreements require that the current annual property tax assessments be shown.

Mortgage Verification: Few homeowners know the exact balance on their mortgage as it is paid down. You will be asked to authorize your mortgage lender to provide the figures required.

Deed or Title Search: This document is a legal description of your property and proof that you own it.

Other Documentation: In some instances, it may help the sale of your property if you can provide prospective buyers with information on such items as annual heating, electrical and water expenses, as well as any recent home improvement costs.

Note: In many provinces, you will be required to sign a property condition disclosure statement.

Preparing to Show your Home to Potential Buyers

First impressions are lasting impressions. You will want to make sure that buyers looking at your home are left with the best possible impression. Your Royal LePage Realtor can help you achieve that goal.

Exterior

- House exterior in good repair
- House number easy to read
- Eaves troughs, down spouts and soffits in good repair
- Garage/carport clean and tidy
- Litter picked up
- Cracked or broken windowpanes replaced
- Lawns and hedges cut and trimmed, garden weeded and edged
- Walks shoveled and salted
- Boot tray inside front door
- Doorbell and door hardware in good repair
- Porch and foyer clean and tidy

Interior

- Chipped plaster and paint touched up and repaired
- Doors and cupboards properly closed
- Leaky taps and toilets repaired
- Burned out light bulbs replaced
- Squeaky doors oiled
- Mirrors, fixtures and taps cleaned and polished
- Seals around tubs and basins in good repair
- Floors cleaned, garbage containers emptied
- Inside of closets and cupboards neat and tidy
- Appliances cleaned
- Countertops neat and polished
- All lights turned on
- Air conditioner turned on (in warm weather)
- Fresh air in house
- Fireplace lit/furnace on (in cooler weather)
- Halls and stairs cleaned
- Drapes opened during daylight
- Carpets freshly vacuumed
- Fresh flowers in various rooms
- Jewelry and valuables locked safely away or taken with you
- Valuable property (such as objects of art, vases and figurines) out of reach, out of sight or locked away
- Pets absent, where possible, or contained during the showing, and litter boxes cleaned

The Major Elements of an Offer

Price

Depends on the market and the buyer, but generally the price offered is different from the asking price.

Deposit

The deposit shows the buyer's good faith and will be applied against the purchase price of the home when the sale closes. Your Royal LePage Realtor can advise you on the suitability of the amount of the deposit being offered.

Terms

Includes the total price the buyer is offering as well as the financing details. The buyer may be arranging their own financing or may ask to assume your existing mortgage if you have an attractive rate.

Conditions

These might include "subject to home inspection", "subject to buyer obtaining financing" or "subject to the sale of the purchaser's property".

Increase Your Home Value

The top three renovations that get sellers the most money* are:

- Bathrooms (75 to 100% return)
- Kitchens (75 to 100% return)
- Interior and exterior painting (50 to 100% return)

Other renovations and their average rate of return (the value they add compared to what they cost) include:

- Replacing roof shingles (50 to 80%)
- Replacing the furnace and heating system (50 to 80%)
- Renovating the basement (50 to 75%)
- Adding a recreation room (50 to 75%)
- Installing a fire place (50 to 75%)
- Up-grading floors (50 to 75%)
- Building a garage (50 to 75%)
- Replacing windows and doors (50 to 75%)
- Building a deck (50 to 75%)
- Installing central air conditioning (25 to 75%)

*Appraisal Institute of Canada's 2004 Home Renovation Survey

Advantages Of Using A Real Estate Agent

There are a number of activities that a Realtor can do to get your house sold faster and at a higher price that an owner can't do including:

- Order a complete property profile of your house
- Perform a professional "Competitive Market Analysis" of your house
- Review "Total Market Overview" with Sellers
- Create a customized market plan that targets your most likely buyers
- Develop a specialized pricing strategy for your property
- Calculate an estimate of your net proceeds from the sale
- Tour your property from the "Buyers' Standpoint"
- Conduct a complete "staging" analysis of your house
- Provide instructions to help your house sell at a higher price
- Review interior of the house to maximize attractiveness
- Integrate photographs into marketing materials
- Develop "soon to be available" postcards
- Review the status of any property tax liens against the property
- Obtain copies of permits relative to the property
- Accurately measure the house
- Develop advertising copy for marketing
- Place house description in the Realtor Multiple Listing System
- Provide a "Real Estate Relationships Disclosure"
- Provide a copy of the "Real Estate Consumers Guide"
- Assist with the completion of an Exclusive Listing Agreement
- Assist in completion of the "Agency Agreement Addendum"
- Review Flood disclosures, if required
- Review Lead Paint Disclosure requirements
- Review Competitive Marketing Analysis
- Explain commission splits between Listing and Selling brokers
- Provide "Marketing Guarantee" to seller
- Review benefits and drawbacks of using real estate lock box

- Arranging for pest control inspection of the house
- Arranging for contractor's inspection on the house
- Arranging for roof report of the house, as necessary
- Arranging for septic tank inspection on the house, as appropriate
- Arranging for county inspection, as necessary
- Provide Sellers Disclosure Statement to seller
- Place professional For Sale sign on property, as authorized
- Directly contact agents with qualified buyers about the property
- Respond to agent questions about the property
- Respond to buyer questions about the property
- Develop a convenient Open House schedule with owner or tenants
- Hold house open to the public, as warranted
- Conduct telephone cold calls to target market, as necessary
- Order professional photo of the property to be taken for MLS
- Conduct door-knocking campaign in neighborhood, as appropriate
- Prepare "Just Listed" postcards for potential buyers
- Follow-up with potential buyers from open house opportunities
- Arrange for a tour of the property for all agents in the area
- Obtain other real estate agents' opinions of home pricing strategy
- Provide weekly status report to seller by phone or in-person
- Review local news sources for changes in neighborhood
- Send "Thank You" notes to agents who show the property
- Review the financial impact of any offers with seller
- Write Counter-Offer, as necessary
- Make sure escrow is open in a timely manner
- Make sure initial deposit is placed into escrow in a timely manner
- Make sure deposit increases are placed into escrow on time
- Make sure that buyer applies for a loan with contracted period
- Provide access to property to inspectors, as necessary
- Make sure seller places all necessary documents
- Assisting seller in transferring utilities to buyer
- Assisting seller in moving to a new residence
- Providing keys to buyer
- Review Closing Statement with Sellers
- Deliver proceeds check to Sellers

Royal LePage Real Estate Professionals are dedicated and committed to their clients. Please don't hesitate to call your local Real Estate Professional if you have any questions.