

# F<sup>OR</sup>S<sup>ALE</sup>.B<sup>Y</sup>.O<sup>WNER</sup>

## CONFIDENTIAL

### IN THIS ISSUE

#### OPEN HOUSES

#### ARE THEY WORTH IT?

They must be useful and lead to getting a house sold... Nope. Not usually. Rarely actually.

#### MAKE SURE YOUR

#### BUYER IS QUALIFIED

"qualified", or "pre-approved" for a mortgage through a reputable lender is very important.

#### STAY ON TOP OF

#### THE MORTGAGE PROCESS

The mortgage process is easily one of the most aggravating parts of the process.



- Pricing
- Negotiating
- Disclosures & More



# TABLE OF CONTENTS



03	* PREFACE / AGENT POINT OF VIEW
04	* PRICING YOUR HOME * GOING ON "THE MARKET"...(WHERE IS THAT ANYWAY?)
05	* THE DOWNSIDES OF USING THE MLS AS A FSBO
06	* BE A TRUE FSBO * BE FAIR AND BE AWARE...OF "FAIR HOUSING"
07	* BE CAREFUL HOW YOU DESCRIBE YOUR HOUSE
08	* DISCLOSURES * DON'T "OVER-SHOW" YOUR HOUSE
10	* OPEN HOUSES - ARE THEY WORTH DOING OR NOT?
11	* TWELVE OPEN HOUSE TIPS * DEALING WITH CALLS FROM AGENTS
13	* SIX THINGS TO CONSIDER IF AN AGENT "HAS A BUYER FOR YOUR HOME" * WATCH THE MARKET WEEKLY

14	* MAKE SURE YOUR PROSPECT / BUYER IS QUALIFIED
15	* BUYERS WILL TRY AND PICK YOUR POCKET * D.B.D
16	* NEGOTIATING
18	* WHAT'S THAT IN YOUR EAR? * HOW EARNEST IS YOUR BUYER?
19	* YOU CAN' T DO EVERYTHING YOURSELF... * DEALING WITH INSPECTION ISSUES
21	* DEALING WITH THE APPRAISAL
22	* DON'T FORGET INSPECTIONS * IF YOU' RE NOT HAVING ANY LUCK...

# PREFACE / AGENT POINT OF VIEW

It probably seems a little weird that I want to help you sell your home on your own, being that I'm a real estate agent. You're probably thinking there's gotta be a catch... The truth is, I get it. I totally understand wanting to try and sell your home on your own, and save some money. I do some things on my own, and don't hire a professional (when I can), in order to save some money. Sometimes I do it as good or better than someone I could've hired. Sometimes I struggle and get it done OK enough. And sometimes, I get into the middle of it and end up hiring someone anyway. Let's use painting my house, for example...



**TRACI COPE TAM**  
305-796-2308

Let's say I decided to paint the outside of my house on my own, and a professional painter saw me trying. And, instead of just driving on by and letting me be, every chance he got he kept coming up and bugging me... "Hey, you want me to paint your house for you? I can totally do a better job than you can... There's no way you can do as good a job as me. You're gonna make mistakes. You should let me do that for you." I'd be thinking, if not saying, get out of my face. And just you watch me...I'll get this done on my own. Now, on the other hand, if a painter saw me out there and came up and said, "Hey, here's a few things you may not think about that you only know by doing a whole lot of painting. I hope it helps you out!" Well, if things didn't go so well for me, or I was sick of doing it on my own, or whatever, that's the painter I'd be calling.

Especially if the tips and tricks he shared with me showed me that he really knew his trade. That's all I'm doing here... In the course of trying to sell your home on your own, you'll find many agents will try and convince you that you can't possibly succeed, or that you're going to make costly mistakes. Or otherwise try and scare you, or trick you into working with them. I want to help you give selling on your own the best try possible. And, if you give it your best shot, and you still don't have any luck, sure, I hope it leads to doing business with you. But, I want to have earned that opportunity and give you a preview that I really know my trade. But for now, I wish you luck on selling your home on your own! And I truly hope this guide gives you some in-between-the-lines insight you're not going to find anywhere else. This is beyond the basic baloney some agents give people in your shoes. Also, if you have any questions during the course of trying to sell your house on your own, or about the information in this guide, please feel free to reach out to me! [You can find all my contact information on the last page.](#) OK, onto the first and most important thing you need to do...



# PRICING YOUR HOME



Obviously, you want to keep as much money as possible from the sale of your home if you're selling it on your own. You most likely want to sell it for as high a price as possible, too. Everybody does. But most people don't. Regardless of whether they sell on their own, or with a real estate agent. The number one killer of that dream is overpricing. Nothing gets in the way of selling a home for top dollar more than overpricing a home. It leads to:

- **Losing the attention of buyers when it matters most — the first few weeks your house is on the market.**
- **A lack of showings.**
- **Buyers who do come to see it, often just disappear and end up buying houses that are priced appropriately.**
- **Longer days on market.**
- **The house becomes “stale”, and buyers perceive it as there's something wrong with the house since it is on the market so long.**

This doesn't mean you need to underprice your home, or “give it away”. You simply need to know and be realistic about what your home is truly worth in the market. The best way to do that is to analyze the recent sale prices of homes like yours in the area. Notice how I put emphasis what things have recently sold for, not what other houses are listed for on the market currently. The best, easiest way to get this information is through a local real estate agent. Since you're selling on your own, you should be upfront about this with any agent you ask for help. Believe it or not, a good real estate agent will still be willing to help you. Just expect that he/she would appreciate the opportunity to list your home if and when you decide to hire a real estate agent.



## GOING ON “THE MARKET” ...(WHERE IS THAT ANYWAY?)

You’ve probably heard the term, “I’m putting my house on the market.” Or, “That house will hit the market next Sunday.” But, what exactly is “the market”? It isn’t like there’s one big mall every buyer goes to in order to shop for a house. (And if you’re like most homeowners, you do want every buyer in the market to know your house is for sale.) Well, there kind of is one big mall where every buyer goes to look for a house...the Internet! For all intents and purposes, that is now “the market” when it comes to real estate. But the Internet is a big place. And there’s tons of sites a buyer may, or may not look at when looking for a house. So, how do you get your house on pretty much every real estate site a buyer could stumble upon? By using what’s called “IDX”, or Internet Data Exchange. That will feed a real estate listing to more real estate sites than you can find. A listing is fed to any site that belongs to the IDX feed. However, that system is tied to the “MLS” systems, or Multiple Listing Systems, which are used primarily by real estate agents. You can still get your house listed on the MLS, even if you are For Sale By Owner (FSBO) in various ways, but we will discuss the downsides of that in the next section. For now, your best bet at getting the eyeballs of every buyer in the market is to list your house on a website devoted to people selling their house on their own. You’ll get the attention of buyers who look at those sites at least. But not all buyers look at them.

So, make sure you list your house on Zillow.com and Trulia.com (which is actually owned by Zillow). These are free for you to post your listing on, and most buyers look at these sites.

You can probably find other sites that allow you a free listing, but those are the two biggies right now.

But beware, think twice about listing anywhere, or buying into any offer a site makes to put you in the local MLS. Don’t do it...at least not until you’ve read the next section and truly understand what you are doing and why.

## THE DOWNSIDES OF USING THE MLS AS A FSBO

If you know anything about real estate, you’re probably aware that you can now get on the local “MLS” even if you’re selling on your own. This wasn’t always the case. That privilege used to be only available to licensed real estate agents who were hired to sell a client’s house. However, now there are companies, essentially licensed agents, who will list your home on the local MLS for a much smaller, flat fee, than the percentage commission would be. All that exposure at a lower cost. But there are problems with doing this that many homeowners don’t think about before they do so. Here are 4 reasons why you shouldn’t list your home on the MLS when you’re selling your home on your own.

- You’re going to have to offer a buyer’s agent a commission. While legally there is no “normal” or expected commission percentage, you need to know what other listings are offering to buyer’s agents. And, it would make sense to be competitive. So, find out what that would be in your area. You will likely find it to be somewhere around 3%.
- You’re going to have to be willing to deal with buyers who are working with a buyer’s agent.
- Regardless of how smart you are, or how good of a negotiator you are, you’re putting yourself in the position of having to deal with someone who knows a lot about selling real estate. This could cost you, without you ever even realizing it. It’s essentially like walking into court and representing yourself when your opponent has a skilled attorney.
- Your house will have a digital record. As soon as you list on the MLS, your house will be recorded as having been on the market. It will show how long it was on the market. It will show how many times that you list it and relist it. Doesn’t sound that bad maybe, but buyers and agents look at this information, and it affects how buyers and agents perceive your home.

# BE A TRUE FSBO



It's tempting to put your house on the MLS. Everybody knows that's the greatest exposure you can get for your house when it's on the market. If the Internet is a mall where buyers all go to find the home of their dreams, then the MLS is the department store within the mall that every home buyer will at least check out. Usually because they're all working with a real estate agent to some degree. Most buyers are not all that bent on not working with a real estate agent, because (to them at least) the services of a real estate agent seem "free". So, why wouldn't they be working with a real estate agent?! Sure, they might also be on the lookout for a house for sale by owner, but not every buyer is. But every buyer is looking at houses on the market listed through real estate agents. So, yes, it's appealing to most "FSBOs" to list their home on the MLS for one of those reduced fees, limited service listings. But the minute they do that, they're getting entirely away from the whole concept of selling on their own... to save as much money, and make as much money as possible. And, there's plenty of people who will get in your ear trying to convince you that you should list your house on the MLS. Maybe you should. At some point. But not while you are for sale by owner. Stay true to your intentions. Give it the best effort and try you can. And if it doesn't work out in a reasonable amount of time, sure, then list it on the MLS.

But, when and if you do, list it with a real estate agent who will truly represent you and your interests. Not someone who's basically a floating salesperson in a mall trying to peddle some wares. Rather, an agent who's more like the head of security in your store, making sure nobody takes anything they shouldn't from you.

There shouldn't be any middle ground. Sell your house on your own, and keep agents out of it entirely by staying away from the MLS. Or, get yourself into the store within the mall, and hire someone to protect your interests. Otherwise, you're just asking to lose something of value along the way.



# BE FAIR AND BE AWARE...OF “FAIR HOUSING”

Most people know better than to discriminate nowadays. However, many people aren't entirely aware of the fact that they may be doing something discriminatory when it comes to selling a house. There are a tremendous amount of rules, regulations, laws, and acts a homeowner needs to abide by when selling their home. There is too much to cover in this guide, and they should be read as they are written, not summarized. My suggestion? Visit HUD.org and type “fair housing” into the search bar. It's not the fun kind of reading, but it's important if you want to avoid a potential lawsuit. The bottom line is this... Don't discriminate. In any way. With anybody. Treat people the way you would want to be treated, if you were that person. Put yourself in their shoes. But it can be tricky, since we all live in our own shoes, and might not necessarily think something would be considered offensive or discriminatory. So, make sure you know all of the protected classes covered by these laws.

## BE CAREFUL HOW YOU DESCRIBE YOUR HOUSE

Most homeowners are super proud of their house, so the natural tendency is to gush about how great their house is, and list every little thing they've ever done to their house. Which isn't necessarily the best thing to do... (“Brand new toilet seat installed in 2015!!!”) When it comes to advertising and marketing, one of the smartest things to do is speak to the buyer. Get in their head...

- Who are they? Who is the most likely person to buy your house?
- What do they want in a home?
- What do they hope and dream about?
- What's their family look like....(insert loud record scratching sound!!!)

What just happened?! Why'd the record scratch?! Well, because of the word “family”. Crazy as it might sound, using the word “family” in your advertising, marketing, or description of your home could be taken as discriminatory. So, for instance, you can't say, “Located in a great family neighborhood!” Or, “Perfect for your large family.” And that's just one example. Don't even mention “perfect for your kids to play out back”. Probably should watch out for saying “you can walk to the park”...because some people can't walk. Might sound like that's being over-sensitive and cautious, but it's not when it comes to advertising and marketing your house for sale. When you're writing anything about your house, stick to the facts about the house, without being too bland or basic. Use the facts and features of your home to paint a picture, but a picture that nobody could take offense with.

For a free home evaluation please visit: <https://toptierre.com/sell>



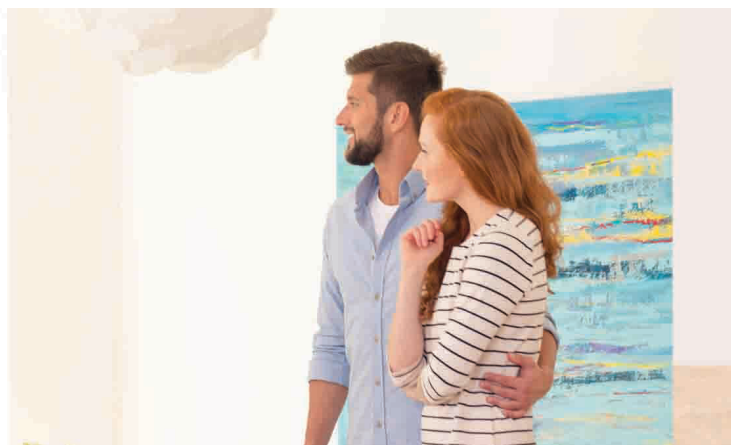
**“The property is flooded, so we can describe your home as an ‘island getaway!’”**

# DISCLOSURES

How's that for a boring title for this section? Well, it's one of those boring things that you need to be aware of and have ready for interested buyers. You'll want to give them your disclosures prior to them making an offer.

(NOTE: The required disclosures vary from area to area. Make sure you are aware of all of the disclosures you need to have in your area.) Basically put, disclosures of any kind are how you let the buyer know about any problems your house currently has...or had, and you have remedied. Don't lie or hide anything. That can easily come back to bite you. So, if in doubt, disclose a problem. In other words, if you think to yourself, "Should I tell a buyer about this issue?" The answer is yes. Tell the buyer. Telling buyers about issues doesn't necessarily mean they'll get scared away and not buy the house. Nor does it necessarily mean they'll expect you to fix it, give them a credit to get it fixed, or accept a lower price for your home. It might mean any one of those things, but not necessarily. However, if you don't disclose something, and they find out later on about the issue, and figure out that you knew it was a problem...then you are going to have a different kind of problem on your hands.

**Don't get sued. Disclose everything and anything that is an issue with your house.**



## DON'T "OVER-SHOW" YOUR HOUSE

This might not seem like something you need to think much about. A buyer schedules an appointment, they show up, and you show them around the house. How hard could that be? Well, many homeowners have a tendency to "over"-show the house.

- They hover over the buyer.
- They over-emphasize features of the house that mean little to the buyer.
- They over-sell the buyer...pushing too much, and creating false urgency.

One of the main reasons many buyers avoid houses that are for sale by owner, is simply because it can be awkward. Few people want to be rude, or hurt someone's feelings. And when you look at a house with the owner of the house, if you don't like it, it can be a bit awkward. (So, expect buyers to sound more interested than they are at times. Don't read into how nice they say the house is.) The truth is, most buyers won't want your house, for one reason or another. That doesn't matter. They don't matter. The only one(s) that matter, are the ones who absolutely want your house. Nobody else will be



sold on wanting it. But those who want your house will let you know without even having to push or ask. So, start from the very beginning. Give your buyer space. Don't follow them every step of the way. Begin by saying you want to give them space to view the home on their own, and once they're done, you can ask if they noticed a few key features they may have overlooked. Walking around and pointing out every little detail is tedious to any buyer. And it won't sell anyone on loving your house, if they don't anyway.

## PRO TIP:

If you do walk through the house with them, make sure you are behind them. Never walk with your back turned to a buyer, especially into a room with no escape. Not that most people are out to do harm, but there are some people who are.

### To Sum It Up:

- Give them space
- Be friendly, but don't insist on making conversation the whole time. Let them talk and ask questions.
- Answer them honestly, but try not to divulge too much about why you are moving, or any motivations you might have.
- If the buyer has interest, they will let you know. Don't push, or try and "close the deal". Let them come to you and show you they are motivated. Otherwise, you look and sound desperate, and you lose leverage.



# OPEN HOUSE



Open houses are one of the most visible things in real estate. You see them being done. Real estate agents hold them seemingly every weekend, on every house on the market. So, you have to figure, if they're doing them, they must work. They must be useful and lead to getting a house sold... Nope. Not usually. Rarely actually. The statistics are hard to nail down, but it's often said that only 1% of open houses lead to the sale of a house. And that's when real estate agents hold them! So, statistically speaking, they're not all that useful. At least to get a house sold. They're useful for agents to meet new potential clients who come through to see a house. They're useful in the sense that many owners expect their agent to hold open houses. And, occasionally, an agent does sell a house to a buyer who comes through. That's a real estate agent's profession and livelihood. So, whether they happen to sell very few open houses, or they are an agent who happens to sell a lot of the houses they hold open (and some agents do), that's what they do to earn a living and build a career. But, for your purposes, is it really all that useful to sit home and wait around to let people into your house on a Sunday for 4 hours? Not likely. You'll probably get some people swing by. But many might just be nosy. Many are likely not even ready or able to buy yet. Also, a buyer who truly wants to see your house, and is a serious, qualified buyer, will make the effort to schedule a time to come see your home even if you don't have an open house. But then again, maybe, just maybe, your perfect buyer won't feel comfortable scheduling to see your home by appointment, and would like the opportunity to see your house without feeling obligated. The point is, there's no absolute yes or no answer to this. But at least if you're going to hold an open house, now you have a proper perspective on how much success to expect. Don't be discouraged if you hold your house open and have very few visitors, and don't get offers from any of them.



# TWELVE OPEN HOUSE TIPS

OK, so if you do decide to hold an open house, here are a few tips to help you... Remember back to the section on not “over”-showing your home? In terms of “showing” buyers the house, it’s pretty much the same approach here:



- Give people their space and freedom to walk around and look.
- Don’t hover, and don’t over-sell them.
- Be available to answer questions, and be friendly of course. But let them talk to you, more than you talk to them.

Here are a few things you might want to consider doing:

- Make sure to have signs indicating your house is “open”. You may want to have signs all around town directing people to your house.
- You can advertise in local papers, but that might be a waste of money. But do make sure you indicate that you’re having an open house on any online sites your house appears on.
- Perhaps have some refreshments available in the kitchen.
- Have flyers or brochures of the house available, and hand them to the people as they walk in the door.(Or put them by the refreshments.)
- Make sure you have more than one person home when you have an open house. (Or any showings for that matter!)
- Hide and secure all valuables. (Including prescription drugs.)
- Ask people to sign in as they enter. (This will also give you their contact information so you can follow up with them after the open house.)
- If you’re really cautious, you might want to ask to see a copy of their driver’s license. (Do know that this may come across as a bit much to ask, but safety is important!)
- If you do ask for proof of identity, make sure to ask every single person for the same info and insist upon it. If you do not, someone could claim that you were discriminatory, or profiling them.

# DEALING WITH CALLS FROM AGENTS



This is going to aggravate you, but the majority of calls you will get about your house will be from real estate agents. Some will be trying to get you to list your house with them. Some will be saying they “might” have a buyer for your house, and want to come see if it’s “right for their buyer”... (Key word is “might”. They probably don’t. They just want to get into your house and see if they can get the conversation going with you to list your house with them.) Some will be giving you scary “statistics” about how few owners successfully sell their house on their own, and those who do usually lose money when doing so. The point is, nothing all that good or useful for you is coming out of answering their calls. At the same time, if you do take their calls, don’t be rude or hateful. Just say you’re not interested, but thanks for the call. And leave it at that. Be prepared. Most agents will call once or twice, but there’ll be an agent or two who call you non-stop. They will claim this is proof of why you should list with them — they are “persistent”. That alone does not mean they are the best agent to hire. Nor does it truly mean they will get your home sold, and for top dollar. It just means they are persistent. Your best approach is to just screen your calls. Don’t answer calls. Return calls to people who left messages — if, and only if, they’re actually a buyer. You may get calls from agents who truly do have a buyer they represent and has interest in your home, and you may want to entertain that notion. (We’ll get into that in the next section...) But most agents are calling simply because they are trying to get you to list your house with them. Period. End of story. So, until and unless you’re looking to do that, avoid those calls. When it is time to find an agent to list with, go with one who truly knows the ins and outs and is out trying to help you, not sell you on doing something you don’t want to do. That’s a horrible start to any trusting relationship.



# SIX THINGS TO CONSIDER IF AN AGENT “HAS A BUYER FOR YOUR HOME”

“I might have a buyer for your house...” is the real estate agent’s equivalent to a cheesy pick-up line at a bar. But it’s meant to break the ice with a “FSBO”. As mentioned earlier, the key word in that sentence is “might”. If the agent “might” have a buyer, you should probably chalk that up to “don’t”. On the other hand, you may hear from agents who sincerely do have a buyer that wants to see your house. So, should you agree to work with an agent who has a buyer for your house, or not? That’s your call. Here are a few thoughts to help you figure it out:

1. **You can’t have your cake and eat it too. If you want the buyer to see your house, you can’t say, “But I’m not going to pay you a commission.” It doesn’t work that way. You will most likely need to agree to pay the buyer’s agent a commission. That amount is negotiable, but do be sensitive to what they are expecting to earn when they sell this client any other house on the market.**
2. **You could just say no, and hope the buyer comes to you directly. But, some buyers are extremely uncomfortable buying a home without the help of their agent. And, some are just plain loyal, and won’t go see your house if their agent can’t be involved.**
3. **If you do agree to allow this, have your conversations, and hammer out your agreement with the buyer’s agent as to compensation and what they will and won’t handle during the process before they show the house. And do it in writing.**
4. **Think about whether a “bird in hand” is better than waiting for an unrepresented buyer to come along. Is it worth the amount you have to pay the agent, to get a good buyer under contract right now?**
5. **Be cautious. Now you are dealing with a professional on the other end. Are you knowledgeable and skilled enough to represent yourself? Maybe you should hire your own agent to assist you, if this is the route you’re going.**
6. **If you are going this route, would it maybe make sense to hire an agent to represent you and put you on the formal real estate market and open it up to all buyers represented by buyer’s agents? Perhaps being on the open market will bring you more qualified buyers than just this one.**

All just food for thought. There is no “right” or “wrong” answer. But, you should give it more thought than just saying an outright “take a hike”, or “sure, bring your buyer!”.

## WATCH THE MARKET WEEKLY

Real estate markets go up and down, but not overnight. So, during the time you’re trying to sell your home, it isn’t likely the market will crash, or that values will increase significantly. But, things do change in terms of your competition from day to day, week to week, month to month. So you should be aware and on top of everything that happens within your local market and price range. Here are a few things you want to monitor at least weekly:



1. Have any new listings come on the market?
2. If so, how is your price compared to theirs?
3. Is the new listing as good, not as good, or better of a choice for a buyer?
4. Did any homes on the market go under contract?
5. If so, why did that house go under contract? Why did the buyer choose that house and not yours?
6. If not, is it just a slow market, or are you and all other homes on the market priced too high in the eyes of the current buyers?
7. Did any houses on the market lower their price? If so, should you consider lowering yours in order to compete, or stay put and wait for that one to sell and no longer be an option for buyers?
8. Did any houses close in the past week?
9. If so, what did they actually sell for? Was the sales price in line with the sales prices you based your asking price on? Or is it lower and will affect how your home when it's time for the appraisal process.

This isn't the easiest thing to accomplish, but you may be able to do it by simply following the online listings of your competition. But most real estate sites aren't meant for this type of research. They're primarily marketing platforms to expose homes that are for sale to the largest audience...not for analytical research. However, real estate agents can easily access this data. Perhaps...perhaps...an agent will be willing to supply you this data for a small fee per week, or at least an agreement that if and when you do list your house with an agent, you'll do so with him or her. (NOTE: No promises this will be something every agent will agree to do, but it may be worth a shot, since it's the only way to get this data this easily.)

## MAKE SURE YOUR PROSPECT / BUYER IS QUALIFIED

Notice that the heading says "prospect / buyer". They are two different things. For the sake of what you are trying to accomplish, a prospect is someone who is interested in your home and wants to come see it. A buyer is the person who is serious enough to be making you an offer you might accept. So, what do we mean by "qualified"? You really want to make sure that the people you are showing your home to are qualified to even buy your home. Otherwise, what's the point in even letting them come see your home? So, you should make sure to ask anybody who wants to come see your home has been "qualified", or "pre-approved" for a mortgage through a reputable lender already. Also, ask them to send that along to you before showing them the house. This sounds pushy, but it really isn't. Any good real estate agent would never take an unqualified buyer out to see homes. So, why should you let them in your house? Now, when asked for this, you will likely meet resistance from some people. If that's the case, you should sincerely question why they are so resistant. This is not too much to ask of someone. But expect people to say something along the lines of, "I'm sure I can afford it, I'll get pre-approved once I see your house...if I even like it. What's the point of doing it before I know if I even want to buy it?" Again, you should just decline to show them your house. Just know you will "lose" people this way. You will find that many of your prospects just say forget it, and don't provide you with a pre-approval, and never call again. This often leads to people selling their own home to cave in and allow people to just come see the house without proof of funds, or a pre-approval. If you find yourself doing this, and the prospect becomes a buyer and makes an offer you are considering, at that point you must insist that they provide you with a pre-approval letter from a reputable lender. There's no use moving forward until and unless you see one.





## BUYERS WILL TRY AND PICK YOUR POCKET

One of the biggest reasons you're trying to sell on our own, without real estate agents being involved, is in order to pocket the amount you'd otherwise have paid in real estate commissions. That's no secret to whomever wants to buy your home. They realize you're saving a good chunk of change. And, neither one of you is benefitting from the services that money would have otherwise paid for. So, to the buyer, they see your savings as an amount that should be taken entirely off of your asking price. (And no, the trick isn't to just tack more onto your asking price so you can "give" it to them. Doing that will likely lead to buyers not even coming to look at your home, let alone make an offer. You need to price your home in line with the true market value.) Ahhhh, "true market value". What exactly is that based upon? So many of the homes sold, which create the data that value is established upon were sold by real estate agents, and therefore had the commission included. Think of it like this... If you go to a buy a car and look up values in one of those websites that does that, they provide values based upon whether it's through a dealer or not. If it is, the "value" is higher. It's being sold retail. But if a car is being sold privately, they list the value as lower. It can be seen the same in real estate. Most likely, you're going to have to deal with a buyer who wants some, if not all of the commission you would've paid, taken out of the price. This is a matter of perspective and negotiation. This is another case where there is no absolute answer or way of calculating. The simplest way to look at it is this... Come to some agreement that the buyer is getting the house for less than they would have paid "retail", and you're selling for less than you would have "retail", but you're netting more than you would have that way.



Once you have a buyer interested in your home, you should keep these two things in mind:

- **Don't Be Desperate.**
- **Don't Back Down**

It's tough to keep your emotions in check when you're so personally involved. Now, some people get a bit greedy and perhaps too stubborn and won't negotiate at all. That often leads to getting nowhere very fast. On the other hand, there are homeowners who get too nervous once they have a buyer with any interest. They don't want to lose the buyer. They want to get the buyer to make an offer. And, they come across as desperate. This won't do you any good. Just remain calm. Don't push. Don't show any signs that you're desperate. On the contrary, show signs that you "care less". Because, in negotiations, he or she who cares less, wins. Another thing... Don't back down too much or too easily. There are many ways this could happen, but a good example would be to look back at the last section where we talked about buyers trying to pick your pocket for the entire real estate commission. What good would it do if you agreed to that?! If you don't net more, (much more) than you would have if you hired a real estate agent, then what's the point of selling on your own? So don't back down. Stand your ground.

## NEGOTIATING

Negotiating is as much an art as it is a science. Some people are just naturally good at it. Many are not. If you're good at it, and truly understand the ins and outs, you're in a better position. But if you're not, you might want to spend some time reading a few books on the subject. It makes sense, since the amount of money involved in this is likely as much money as you ever deal with in your life (for most people). However, even if you consider yourself a great negotiator in your own field or profession, real estate can be an entirely different thing altogether. Negotiating isn't just...

- **Buyer makes an offer**
- **You counter their offer**
- **They come back a little bit higher You play "tough" and come down a little bit**
- **They play "tough" back at you, and come back a bit higher**
- **Eventually you meet in the middle..."split the difference" as they say.**







Sure, it can and does work that way. But it isn't all about price! It's about so many other terms of the contract. It's about setting the tone of the deal. It's about keeping the buyer honest from the moment you sign an agreement all the way to the closing table. And this all begins from moment one. That first phone call or email back and forth to set up that first showing. It is setting the tone and your posture from minute one. Everybody has a different personality and style. So there's no way to teach you exactly how to negotiate. But do give it enough time and consideration before you're actually negotiating. If you don't have a lot of confidence in your ability to negotiate, you may just want to hire an agent. Because, as we mentioned, this is a large amount of money we're talking about.

Once you've received and negotiated an offer with a buyer, you'd think the hard part is over. But it's just beginning, and the first hurdle you need to deal with is "buyer's remorse". People tend to regret decisions and purchases. This is natural. But even more so with large purchases. Real estate is easily the largest purchase in most people's lives. So, it isn't uncommon for a buyer to get cold feet not too long after the thrill of the chase is over. Once a buyer feels the security of having "won", and are in position to get what they've been going after, they start to wonder if they've made a mistake...

**"Did I pay too much?"**

**"What if this isn't the house for me?"**

**"What if a better house comes on the market?"**

Those are just a few of the typical reasons people experience buyer's remorse. But sometimes buyers cite less logical reasons...

**"My psychic told me this wasn't the house for me."**

**"I had a dream that I was going to win the lottery, so I'm going to wait and buy something better."**

**"I feel like the house may be haunted."**

Buyer's remorse comes into the picture pretty much right after the deal has been agreed upon. Usually within the first few days. The only thing you can do is try to prevent it.

As with so many things in real estate sales, there is no one perfect way to do this. Every buyer is different. Every situation is different. The most universal solution is to (subtly) instill within the buyer that they are getting a good deal, and that they are fortunate to have been chosen as the buyer, regardless of whether there was any other buyer interested in the house. They need to feel that they could potentially lose the deal and the house, if they don't mind their P's and Q's.

But, you need to do this without sounding too deliberate. And you don't lie or fabricate a false sense of other interest. It is more about creating the notion that someone else could have gotten the house...but they are the lucky one to be getting it. And, at such a good price.

# WHAT'S THAT IN YOUR EAR?

There's a very good chance that any buyers you end up dealing with are working with a real estate agent. Let's say you avoided their agent getting involved... Maybe they tried to have their agent involved, but you said no, and they moved forward without their agent's involvement in the deal. Or, they may just have come to you directly, and never even mentioned they were working with a real estate agent. Almost every buyer in the market is working with an agent to some degree. And once your buyer starts focusing on your house, or has actually made an offer, there's a good chance that the agent they've been dealing with is going to "get in their ear". Their agent will start casting doubt as to whether your house is the best house for them. Or, they'll start telling them about how hard it is to deal with the process without an agent involved. Maybe the agent will say that they are overpaying for your house, especially since there's no commission involved. Unfortunately, there's not a whole lot you can do about this. You aren't in contact with the agent. You have no control over how they think, feel, or what they say to your buyer. After all, it's also their buyer. And agents are supposed to protect their client's interest. So, if the agent feels they are making a mistake, or is advising against purchasing your house for one reason or another, they may actually have good reason to do so...and not just because they are possibly going to lose a commission. So, just be aware that this can occur. And know that your best defense is to know your buyer and all of their potential choices as well as their agent would. (Which shouldn't be an issue if you've been watching the market weekly.) You just need to be able to assure the buyer that your house is the best house for them, and that they couldn't possibly get a better house, at a better price, for their wants and needs. If you can do that, anything their agent says should not affect them moving forward with your deal.





## HOW EARNEST IS YOUR BUYER?

You probably know that buyers are supposed to “put some money down” on your house. This is “good faith” money, commonly known as “earnest money”. And it’s usually part of their down payment, but not the entire amount. So, how much should you demand your buyer put down at the beginning of the deal? The only answer is, “It depends.” You might hear people say it should be 5%, or 10% of the purchase price. You might hear others say a thousand dollars, or maybe a few thousand dollars total. But, the truth is, it really depends upon the price of your home, and your buyer’s situation. The higher the sales price, the more likely your buyer will be to have a good amount of money to put down. On lower priced homes, buyers often can’t put much money down. But even on some higher priced homes, a buyer may not have a lot of money to put down, and may be going after a low down payment mortgage. What it really boils down to is this... Get a sense of your buyer’s situation, abilities, needs and preferences. Be flexible (to a degree) about how much, or how little they are putting into escrow during the deal. Ultimately, as long as you feel it is an amount that your particular buyer wouldn’t easily or willingly walk away from, you’re probably safe. In case you aren’t aware, in most cases, this money isn’t just given to you for you to put in your bank account. (We’ll get into that a bit more in the next section.) Nor is it necessarily yours to keep if the deal falls through, or they decide to walk away. It might become yours to keep...but not necessarily. In many ways, this money is more of a gesture of good faith. It shows that your buyer is “earnest”. In some ways, it’s to protect you from your buyer not having any skin in the game and just taking off on you for no reason.

## YOU CAN’T DO EVERYTHING YOURSELF...

While you can certainly try to sell your home without the assistance and skills of a real estate agent, there are certain parts of the process that will require other people and companies to get involved, and cost you some money. You can’t handle much of the legal paperwork, and finance end of things on your own (at least easily or for the most part). So, most likely you’ll need to hire either a title company to help with the process, and actually close the deal, or hire an attorney. Or you may need to hire both. Handling the escrow, title searches, and mortgage paperwork isn’t something most homeowners are qualified to do. There needs to be an objective third-party in order for both sides to be protected. It’s a good idea to start searching and shopping for your title company, and / or attorney, before you actually have a buyer and a contract. So, make sure you know your local choices, and line them up before you have that deal in hand.



# DEALING WITH INSPECTION ISSUES



You probably won't be any different than most home owners... During the course of negotiations on price, you'll feel like you bent more than you should have on your price. You'll feel like your buyer got a good deal, and that they shouldn't squawk about any nit-picky home inspection issues... You're going to want your buyer to accept your home "as-is". While that would be ideal, it is unrealistic. Any savvy buyer will have a home inspection done. Inevitably, the home inspector will find some things that are wrong with your house. Now, your buyer shouldn't be going after "nit-picky" items, but that can be a subjective term. What you see as nit-picky, your buyer may see as a much bigger problem. Expect to concede to at least some items. There's a couple of ways to address any home inspection issues your buyer requests to be addressed:

- You can say no, you won't address the issue. And if they agree, then the issue is resolved.
- You can agree to get a second opinion. That may just lead to more debate and negotiation, though. Unless the second party gives valid proof that there is not truly an issue.
- You can agree to hire a professional to fix, service, or replace whatever the issue is.
- You can agree upon a fair credit to the buyer, and let them fix it themselves once they close on the house.

No matter what you agree to with your buyer, make sure to put in writing, and in detail. Do not be vague. If it's not in writing, it doesn't exist. And this leads to problems down the road.



# DEALING WITH THE APPRAISAL

No matter if you got more than you hoped to get for your house, or less, you're not out of the woods yet in terms of the value of your house. "Market value" in real estate is essentially what a ready, willing, and able buyer is willing to pay, and a homeowner is willing to accept. Pretty straight-forward. If you and your buyer come to terms on the price, and your buyer can afford to pay it, that should be enough, right? Not exactly. Most buyers you will deal with will be getting a mortgage. So, an appraisal will be necessary. (Even a cash buyer may require an appraisal in the terms of a deal.) An appraiser is a third-party who will come in and look at your home, write a report, and give an



opinion of value on your house. That may very well be the amount you and your buyer agreed upon, or even a little bit more. But, it could also "come in low". Ask any real estate agent how they feel about appraisals and appraisers, and you'll probably see some tears form in their eyes, and maybe a nervous tic. Appraisers often come in with a lower appraisal than the house is worth. And it's hard to argue with them and persuade them to change their stance. If your appraisal comes in low, you can:

- **Contest it, and provide the appraiser with better comparable sales (i.e., "comps"). But it isn't easy or a guarantee that the appraiser will amend it.**
- **Lower your sales price to match the appraised amount.**
- **Get the buyer to agree to make up the difference by putting more money down on the deal. (Which is often difficult or impossible for many buyers to do.)**
- **Part ways, and hope that the appraisal on any future deal you strike doesn't come in low as well.**

Earlier we spoke about the need to make sure that your buyer is pre-approved. The pre-approval is a good indication that your buyer should be fine, and will get their mortgage. But that doesn't mean they will actually get their mortgage approved, or that it will be smooth and easy. In fact, expect it not to be smooth or easy. The mortgage process is easily one of the most aggravating parts of the process. And the lenders almost always take longer to get things done than they should based upon contract dates and timelines. However, you and your buyer are pretty much at their mercy. When real estate agents are involved in the sale of a home, both the buyer's agent and the seller's agent make it their business to keep this process going forward. If there are issues, they help to resolve them as quickly as possible. Don't ignore the mortgage process. Be on top of it. Ask your buyer for weekly, if not daily status of the mortgage process. If possible, get permission to contact their lender for updates and questions. It's impossible to teach you everything to look out for, let alone how to resolve many of the issues that could arise. So, the best advice to give you is to stay on top of the process and keep the pressure on at all times. Otherwise, you could get to a couple of days before you're supposed to close, only to find out that the buyer's mortgage is nowhere near being approved...or worse, it is being declined.



# DON'T FORGET INSPECTIONS

Every town or city has certain requirements, certifications, and inspections that need to be dealt with before you actually close on your house. These often get forgotten or lost in the shuffle. While real estate agents are well aware of, and on top of these, homeowners sometimes aren't even aware that anything is required, let alone what is required. Make sure you know what your town requires you to get done before you're allowed to close. Gather this information early on, and get everything they require done well before closing. Often what happens is a homeowner realizes what is required a day or two before the closing, and when they try to arrange for the inspections and paperwork, they're told it will take days or weeks longer to get than they have. If the town will accommodate on a rush basis, they will often charge a higher fee for doing so.



## IF YOU' RE NOT HAVING ANY LUCK...

Hopefully all of this information will help you to succeed! Keep in mind that, statistically speaking, the majority of people who try and sell on their own don't succeed and end up hiring a real estate agent. So, if you do succeed, take a lot of pride in having done so. But if you aren't able to sell on your own, don't feel like you failed. It's a lot harder than it seems. If you decide to list your home with a real estate agent, please consider hiring me. I hope that what I've provided you here has shown you that I truly know the business, and that I have your best interest in mind.

**And always feel free to reach out to me with any questions as you move along trying to sell your house on your own. I'll be glad to help to the degree that I am allowed without actually being hired by you.**





# TOP TIER REALTY

Taking Real Estate To New Heights, is the motto for this newly branded Real Estate Brokerage. With 15 years of experience behind her, Traci Cope Tam, Owner of Top Tier Realty, has formulated a new dynamic for buying and selling prized Real Estate in South Florida. Traci and her team have collectively created a marketing strategy that not only sells your home in Record Time, but for Top Dollar. This company is made up of native's to South Florida, providing their customer's with Top Tier Support on all things Real Estate, as well as helpful information about the community to ensure they will love where they call home.



Traci Tam, Broker  
305.796.2308



Cathleen Caves, Realtor  
305.216.6501



[www.TopTierRe.com](http://www.TopTierRe.com)  
[Traci@TopTierRE.com](mailto:Traci@TopTierRE.com)