



WHAT THE SELLER MUST KNOW

How the market is controlled and who's in control of market currently

Inventory levels – When the level of inventory is between 1-3 months of supply, the market is said to favor sellers (high demand/low supply). When the level of inventory is increasing with 4-6 months of supply, the market is said to be balancing. As the market gets above 6 months supply, it is said to favor buyers (low demand/high supply).

Buyers Market – 6+ Months Supply
Sellers Market – 1-6 Months Supply

Rate trends – Rates tend to stabilize around election time. Are rates stable, or volatile currently? Historically low interest rates contributed to the housing market's ability to come back from 2012 onward. Rates below 5-6% historically are very uncommon.

List Price:

We will study the market together, the currently listed properties, homes with a sale pending and the comparable sales. This will give a clear picture of both your home's value in the eyes of the buyer and the appraiser. It will also yield a look at the current competition for your home. We don't make the market. We are just here to help you interpret and understand the market. You will pick the listing price.

Seller's market - it's acceptable to price up to 10% **above** market value. It's important to know however, that the higher we go above market value, the more buyer traffic tends to be driven away.

Buyer's market - it's acceptable to price up to 10% **below** market value. Just like during a seller's market, the less attractive your price is, the more chance you will drive traffic away from your home.

Because price and demand are closely related, the seller must pick the price that most matches their desire to hit their financial and time goals for the sale of their home.

Readying the home:

Pre-packing is so important. As implied in the title, the home should be pre packed before pictures are taken, or showings started. Even if selling as is.

Clean the home thoroughly. Pack all non-essential items. Most personal effects should be stowed or packed. Family photos and excessive decor should be packed as well.

The goal is to help the buyer envision themselves, and their "stuff" in this space.

Remember, we are transitioning. We aren't doing these things for ourselves; we are doing it to help the buyer transition to this space. It's all for them, which in the end, is truly for you.

Showings:



People will open doors, closets, cupboards blinds, curtains etc. It's our sincere hope that they will honor your privacy by not opening your drawers, but there's no guarantee!

They do this to make sure they have seen every inch of the home they are considering spending hundreds of thousands of dollars on. To know what they're getting; not to be intrusive.

With that said, be sure to secure or remove any valuables that someone could take. We've never had a problem with this, but one day we may. Don't let it happen to you. Take special care to lock up firearms.

Time frame for showings:

We tell our sellers to expect the showing to happen within the time frame specified in the request, plus or minus 15 minutes. If Agents will be early or late, we ask them to let us know, but this won't always happen. Note: sometimes agents request only 15 minutes to show the house. This is the default setting in our system, it's quite likely that may not be accurate.

Some will show up early. Some will be late. Some won't come at all. We ask agents to be respectful and to let us know if they will deviate from appointed times, but they won't always do it.

Understand that we are dealing with human beings. Unique creatures. We try to inform of all of these things to help you, and to prepare you for what's ahead.

How showings are requested:

Most showings are requested online. You will receive a text message and can elect to receive an email and a phone call instead or in addition to the text. Usually when our clients are still living in the home, we request at least one hour of notice before a showing can be requested. We ask for two hours if possible. We can ask for as much time as you would like us to. Some sellers that have children or animals need several hours' notice. Many times with a tenanted property, 24 hours' notice is needed.

Showing Restrictions:

The more restrictions we put on a listing, the less chance we have of capturing a buyer. That's because some buyer's schedules won't match with our restrictions and they will decide not to look at the house (or their agent will decide that for them). If we can minimize or eliminate restrictions, and keep the required advance notice down to 1-2 hours, that is the optimal way to showcase a listings availability.

Feedback:

Each buyer agent who schedules a showing on our listing will be pursued to provide feedback on their showing about the price, condition and buyers level of interest. Many agents don't leave feedback. Those agents will be pursued more aggressively. We will publish the feedback to you for review and to keep you informed on how things are going. If you aren't getting the feedback we publish or you have any questions, please be sure to reach us immediately!

Referral:



Anyone who inquires about the home being for sale should be directed to call us. This is particularly true if someone comes up to your house. Have them call the number on the sign. We've never had any issues, but homes for sale can be targets for criminals. Be safe.

Offer:

The best offer overall may not be the highest offer amount. That's worth repeating: the best offer may not be the *highest* offer. We will review the offer and make sure we understand the terms. You will want to be sure to review the offer yourself as well.

Inspections:

According to one of our inspectors, Bob Jeffries, the inspection will normally turn up 10-20 items that need to be caulked, sealed, repaired or at least monitored. Most of them aren't deal breakers. These are homes that are 40, 50, 60 years old (or older!) Now, when we counsel our buyers on this, we help them to understand what's commonplace in these home inspection reports, and what things aren't so common.

Usually, if someone could be hurt or killed by an abnormality in a home, we ask for the seller to repair it. Be prepared to fix electrical or mechanical issues, roof inadequacies, plumbing issues and mold.

Appraisal:

After inspection period is over and the buyers are satisfied with the results, it's time for the lender to order the appraisal. In accordance with our meeting when we discussed the value and list price for your home, we will be pretty sure of the appraised value before the appraiser goes out. We will have checked the comps to get rock solid on the value.

Sometimes the appraiser giving the opinion of value, who's a human, will disagree with our opinion of value. In fact, if 3 different appraisers go to a property, with no purchase agreement or listing agreement, they will come up with three different values. Appraisal is an art, not a science.

If the appraisal is for less than the agreed purchase price, the seller usually isn't obligated to sell at that price. Likewise, if it comes in higher than contract price, you aren't obligated to pay more.

Steps in the mortgage process:

Offer accepted

Inspection: 3-5 business days *per contract*

Mortgage application signed: within 1 week after inspection completed *per contract*

Appraisal ordered: usually at time of mortgage application

Appraisal accepted by an appraiser: usually within 48 hours of order

Appraisal appointment scheduled: usually within 48 hours of acceptance

Appraisal report completed: usually within 5 days of appraisal appointment



Initial Underwriting complete (conditional approval): usually within 7-14 days of application

Submit final conditions back to underwriting: usually within 14 days of conditional approval

Loan commitment: within 72 hours of final conditions

Clear to close: within 48 hours of commitment

Sometimes the last 3 (above) will be all done together and done within 24-48 hours

Closing date scheduled: within 30-40 days of loan application *per contract*