

Inside this Issue

- 1 8 Steps to Selling FSBO
- 2 *Continued:* 8 Steps to Selling FSBO
- 2 Words of Advice from a Successful FSBO Seller
- 3 *Continued:* 8 Steps to Selling FSBO
- 3 Additional Reading on Selling For Sale by Owner
- 4 *Continued:* 8 Steps to Selling FSBO
- 4 *Continued:* Additional Reading on Selling For Sale by Owner
- 4 Questions & Answers

SellWisconsinHomes.com
3340 Sandy Acres Drive
Plover, WI 54467
USA

Selling By Owner

8 Steps to Selling FSBO

Created by *SellWisconsinHomes.com*

Step 1: Why Sell FSBO?

Money - Money is by far the most popular reason we hear for selling for sale by owner. When listing with a realtor, you typically pay between 6-7% of the selling price of your home to your realtor as commission. For example, if you sell your home for \$200,000, you'd save \$12,000 to \$14,000 by selling the home yourself.

Sell Quickly - Not only does selling your home for sale by owner save you money, it often allows you to sell more quickly. Quick by owner sales are the result of extensive FSBO exposure and competitive FSBO asking prices. SellWisconsinHomes.com provides FSBO homes with widespread exposure by advertising online (on real estate websites, for sale by owner sites, and search engines), in local businesses, and in newspapers and magazines throughout Wisconsin. This extensive exposure was once available only through a realtor and is certainly more effective than yard signs and local newspaper ads.

Furthermore, FSBO homes are often priced more competitively than similar homes listed by realtors. This is because rather than sharing 6-7% of the selling price of their home with a realtor, homeowners selling by owner retain 100% of the profit. Therefore, FSBO homes are frequently better deals for buyers (and sellers) and often sell quickly.

Step 2: Getting Ready to Sell

Clean, uncluttered, updated homes simply sell better, much better. Many television shows have been formed around the idea that just a little bit of money and TLC can greatly increase the selling price of your home. (Check out HGTV's *Designed to Sell*.) Here are some tips found most effective in helping homes to sell more quickly:

1) **Clean:** Don't have the time? Hire a cleaning service or neighborhood teenager to scrub down your house from top to bottom.



2) **De-clutter:** Throw the toys in a toy box. Take the mail, knick-knacks, and kitchen appliances off the kitchen counter and tuck them into a cabinet. Make closets and cabinets seem larger by organizing them and getting rid of unused items. Scale back rooms overcrowded with furniture or knick knacks; take these extra items to storage or drop them off at the in-laws for a while.

3) **Enhance your curb appeal:** Many buyers drive by homes before calling to make an appointment. If they don't like how things look outside, you've lost your sale. So mow the lawn, trim the trees, remove the weeds from cracks in the driveway or

Continued on page 2

... Continued from page 1

sidewalk, tuck away lawn equipment, pressure wash dirty siding or grungy decks, plant some flowers or shrubs, and spruce up the exterior with some new paint.



- 4) **Update:** Remember selling a home is about profit, not about your personal taste. While you may love your bright orange walls or avocado sink, most buyers are simply thinking of the time and cost to update them. Flip through a magazine or a home design channel to see what's in style. Remember, neutrals and traditional/comfortable decor are your safest bet.

- 5) **Brighten up:** One of the simplest ways to make your home look bigger, brighter, and cleaner is to open all the curtains and blinds and turn on the lights!

Step 3: Home Inspections

Buyers are given the right to conduct a home inspection before buying your property. A home inspection addresses such things as safety hazards (ex. lack of stair railings, lack of safety on automatic garage doors, etc.) and major repairs needed for electrical, plumbing, roofing, heating, and appliances. If the buyer/inspector finds a problem and has included an inspection as contingency of sale, they are able to cancel the offer. Many sellers (especially those who are worried how their home will stand up

under official inspection) choose to have an official inspector come out before placing their home on the market. This allows them to make any updates or repairs before they become an issue. Also, showing buyers a recent home inspection report can often put any concerns at ease and help move a sale along more quickly.

Step 4: Pricing Your Home

Often the easiest and most effective way to determine your asking price is to have your home appraised by a pro.

One of the most common reasons FSBO properties do not sell is they are overpriced. Some sellers think that by overpricing they have more bargaining room in negotiations. However, the vast majority of the time, they simply lose a whole section of buyers by exceeding their price limit, even though the price they were willing to accept may have fallen well within the buyer's budget. Finally, regardless of how much you may feel your home is worth, be sure to check the real estate market to determine its current value. Real estate values often change dramatically, sometimes in a short period of time.

So how do you know what price is fair? Look at what homes in your neighborhood have recently sold for (this is public record). Search through real estate websites and classifieds to determine what similar homes in your area are selling for (consider homes of similar square footage, bedrooms, baths, age, lot size, etc.) Determine what you're willing to accept, and stay within 5% of that price when choosing your asking price. This will allow you some negotiating room without eliminating a large number of potential buyers. Finally, do not price your home at a \$10,000 mark but a few hundred less. (ex. Instead of \$170,000, set your asking price at \$169,400.)

Words of advice from a successful FSBO seller...

The below article was featured in the 2007 spring edition of *Home & Style* magazine.

In response to the article "For Sale by Owner vs. Realtor", I would like to argue that selling your home by owner can also be a very easy and a financially rewarding experience. I have sold my last two homes by owner and have saved an estimated \$18,000-\$20,000 in potential realtor costs while only spending \$200-\$400 in FSBO marketing costs.

Real estate agents will argue that by listing your home in the MLS (Multiple Listing Service), your home will be seen by many more prospective buyers, leading to a quicker sale. Though the MLS is a very powerful tool, most potential buyers looking through the MLS listings are also looking in the newspaper or FSBO websites. Potential buyers know that listing agents will be getting a 6-7% commission and are attracted to FSBO homes in hopes of more room for negotiation.

I recently sold with www.SellWIHomes.com and spent 10-20 minutes putting up my signs, filling out my home information for the site, and taking pictures of my home. We sold our home in only 4-5 weeks and in December when home sales are at a minimum. After an open house, our buyer said he loved the ability to go online and view the house again.

If I were to sell my house again, I would go the same route. I would look around for some comparable homes for sale, obtain a fair market analysis, and list online again with www.SellWIHomes.com.

--Kevin, Plover WI

Response from the editor: On behalf of our readers, I would like to thank you for introducing us to a great resource. I urge all those who are looking to buy or sell a home to weigh in all your options...if you plan on doing it yourself, do yourself a favor – do your research and work with a company like SellWIHomes.com.

Continued on page 3

...Continued from page 2

Step 5: Hiring the Experts

Real estate transactions tend to require a level of legal expertise beyond that of the average homeowner. Therefore, it may be wise to hire a local flat fee real estate attorney. They not only provide the necessary forms, but can help you evaluate complicated offers, serve as an escrow agent to hold the down payment, review contracts with you, and help you through the closing process of your home. They can also advise you as to what is legal and necessary to disclose to the buyer. Also, many title companies or lenders offer similar services to that of a real estate attorney and have an in-house legal department to help handle any legal issues.

Step 6: Advertising your Home

Clearly, a key to selling your home is getting your home’s information to a large number of possible buyers. SellWisconsinHomes.com brings your home’s information to buyers throughout the US and world any time, day or night. SellWisconsinHomes.com, an online directory of property for sale by owner throughout Wisconsin, also advertises on real estate websites, for sale by owner sites, and online search engines as well on public bulletin boards, in magazines, and in newspapers (specifically the Wisconsin Buyers’ Guides). In addition to listing with SellWisconsinHomes.com, there are further steps to be taken to ensure your home receives the most exposure possible.

- ❖ **Writing your online listing:** Browse through other online listings to find home descriptions that grab your attention and use them as a model when writing your description. Be sure to mention features such as close to schools, near lake or park, new and recent updates, below appraisal, etc. Stay

away from terms like “must see to appreciate” or “perfect starter home” which tend to alienate some buyers.

- ❖ **Take FANTASTIC photos:** The most important photo is the photo of the front of your home, as this is the first photo buyers see online. Be sure it’s a good one. Take a reasonably close photo on a bright day. Get as much color in the photo as possible (colorful front doors, landscaping, or a colorful pot on the front step really draw attention). Also, be sure to read our “Tips for Taking Photos” page.
- ❖ **Signs:** Signs are one of the most important tools in selling your home. Most importantly, they simply let people know your home is for sale. Furthermore, professional signs (such as those provided with any SellWisconsinHomes.com listing) project an image of a quality home and seller. In addition, SellWisconsinHomes.com yard signs and directional signs allow passersby to view the home online even if they are hesitant or don’t have time to call for more information.
- ❖ **FSBO flyers:** Place flyers of your home in a weatherproof Info Box (available for purchase at SellWisconsinHomes.com). Also place flyers on bulletin boards at local businesses, churches, grocery stores, restaurants, or local shop windows and hand flyers out at open houses. (Home flyers are available for printing directly from any SellWisconsinHomes.com listing. Simply click on the “print listing” button in the upper right hand corner of the listing.)

Continued on page 4

Additional Reading on Selling For Sale by Owner...

For Sale by Owner Handbook ~Piper Nichole

A step-by-step process to selling your home for sale by owner. Provides inside trade secrets from professionals from *Trading Spaces, Oprah, Better Homes & Gardens, Country Living, House Beautiful, This Old House, Yale University*, and more! Includes tips for selling your home for the best price, making your home irresistible to buyers, negotiating contracts, hassle-free closings, and every other step along the way.

For Sale by Owner: A Complete Guide: Everything You Need to Sell Your Home at the Highest Price Without Paying a Broker! ~Steve Berges

“Selling a home without a broker for maximum profit in minimum time.” Includes insider tips for low cost, high-impact home improvements, guaranteed to maximize profits. Step by step guidance on determining your home’s value, including tips on researching the market, hiring an appraiser, and setting prices. Inexpensive marketing and advertising techniques, including a section on advertising your home online. Expert advice on how to select the best title company, negotiate a deal and close the sale, protect against future lawsuits, and more!

The For Sale by Owner Kit
~Robert Irwin

A must-have resource, filled with essential checklists, sales forms, and sample ads designed to simplify the entire home selling process. Included are chapters on: staging a home, pricing for a quick sale, managing paperwork, writing a sales agreement, and hiring fee-for-service agents. The author, Robert Irwin, has published more than 100 books about real estate, and has regular real estate columns in the Wall Street Journal online and on Owners.com.

... Continued from page 3

- ❖ **Open Houses:** Open houses are often a good way to attract buyers to your home. Two weeks prior to your open house, begin running ads in area newspapers. Also, contact SellWisconsinHomes.com with your open house dates and times to be posted on your listing as well as the "Open Houses" page. On the

day of your open house, be sure to place open house signs in your yard as well as on busy street corners. Also, make your house stand out: offer fresh baked cookies, coffee, and soda to those who come through. Fresh baked cookies make the house smell inviting too!

Step 7: Negotiating an Offer

Offers often begin informally in the for sale by owner process, but your real estate lawyer, title, or lending company should provide paperwork for official offers and counter offers. (The Offer to Purchase is the legal contract used in selling your home.) Remember the selling price is not the only thing to consider when negotiating an offer; be sure you also agree on the amount of earnest money, items included in the sale (appliances, light fixtures, window treatments, swing sets, etc.), a date which the sale must be completed by (closing date), and any contingencies. Be cautious of too many contingencies as they almost always favor the buyer and may lead to the sale falling through. If a buyer sets the contingency on selling their current home, be sure to speak with your legal expert about a "kick-out" clause that allows you to accept other offers if a buyer does not sell their home within a specified time period.

Step 8: Buyer Appraisal and Closing Details

If your buyer is using a mortgage company, they will order an appraisal of your property to be sure the buyer is not paying more than the property is worth. The mortgage company will also check to see if there are any liens against your property (a legal claim placed on the property as payment security. For example, a contractor can place a lien on your house if they did work on it and did not get paid. The house cannot be sold until the debt is paid.). Getting an appraisal and any costs incurred in doing so are the buyer's responsibility.

On your end, be sure to let your mortgage company know that you will be paying off your loan. Also, contact your utility companies and let them know when you will be moving/closing so you can set a final billing date (so you're not charged for water, electricity, etc. after you've moved).

Finally.

Let SellWisconsinHomes.com know that your property has sold so we can update your listing as sold! Be sure to wait until after you close to update your listing as sold in case the offer falls through. When all is said and done, congratulations on your sale and think of all the money you saved selling for sale by owner!

.....

Questions and Answers

Q: What is SellWisconsinHomes.com?

A: Sell Wisconsin Homes is a locally owned company that provides an online directory of properties for sale by owner throughout Wisconsin. Our goal is to make the FSBO process the easiest, most effective, low-cost way to sell your home.

Q: How long does it take to sell by owner with SellWisconsinHomes.com?

A: The time from listing to closing varies greatly depending on the price and condition of the home, location, time of year, etc. Some homes sell in as little as 3 or 4 days, others take up to a year or more. On average, homes sell within 2-6 months.

Q: I'd like to list my home with SellWisconsinHomes.com. How do I list?

A: Visit the SellWisconsinHomes.com website for further details including pricing, package options, and frequently asked questions. SellWisconsinHomes.com can also be reached at (715)-281-0695 or at info@sellwisconsinhomes.com.