



# HOME SELLER'S HANDBOOK



# DECIDING TO SELL YOUR HOME

As a homeowner getting ready to sell your property, it can be tough to separate your emotional attachment to the house you made memories in from the need to help potential buyers picture themselves making the space their own.

Even if you've already gotten over the emotional hurdle of selling your home, the pressure to price the house correctly and attract the right buyers can be its own obstacle. Whether you're ready to move into a bigger house for your growing family, downsize to a smaller place, or relocate to a different part of the country for work, the process of selling a house is one that requires work – maybe even more work than you anticipated.

The more work you do, including finding an agent to list your home, making necessary repairs and keeping your property in pristine condition so it's ready for potential buyers to tour on short notice, the more you'll increase your chances of attracting serious buyers willing to pay top dollar for your house.

## **HERE'S A BREAKDOWN OF HOW TO SELL YOUR HOUSE:**

- Timing your home sale.
- Preparing your home for sale.
- Putting your home on the market.
- Your pending home sale.
- The cost of selling a home.
- Mistakes to avoid when selling your house.

The time it takes you to sell your house can vary widely based on a few factors: the current housing market, the condition of your home and how well you're able to reach the right potential buyers.

A house that's ready for the market may need just a week for cleaning and photos to be taken. On the opposite end, you may need a few weeks to repaint the interior, freshen up the landscaping and have a leak in the roof repaired. The time on market depends on the condition of your house, its value and the area you live in, but once you're under contract, expect the closing date to be set for roughly a month later, giving the buyer a chance to have the house inspected and the buyer's lender an opportunity to appraise the property, underwrite and approve the loan.

Before you list your home, consider how the total timeline can be affected by both external factors and your personal needs.

# TIMING THE SALE OF YOUR HOME

## IS IT A GOOD TIME TO SELL?

Most markets throughout the U.S. are experiencing inventory shortages – meaning there aren't enough houses on the market to meet buyer demand. This often leads to competitive bidding wars, with multiple offers coming in at the same time and driving up prices.

Traditionally, spring and fall are the peak times to put your home on the market, as that's when most buyers are looking. Summer sees fewer buyers because many are on vacation, and in winter people get tied up with the holidays, then opt to stay inside because it's cold out in most of the country.

But that doesn't mean there aren't buyers during the off-season – and the current number of buyers on the market means there's hardly any off-season at all. You may even find that those fewer buyers touring homes in the dead of winter are more serious about putting an offer in when they find a house they like.

While there may be popular times to sell a house during the year, don't stress if you need to list your home in the middle of July or the start of November.

## IS IT A GOOD TIME FOR YOU TO SELL?

Your ability to prepare your house for the market and move when it sells is also a determining factor. Many parents wait until school is out to avoid forcing their kids to change schools in the middle of the year or to make it easier to pack everything up to move a few streets over.

You may also need to move sooner rather than later. For example, if you're being transferred to a new state for work, listing your home shortly after you get the news can free up the equity in your home to make it easier to buy a house in your next hometown.

Once you've listed, you also need to be willing and able to move. If you live in a popular neighborhood where houses sell fast, don't view listing your home as a six-month process.



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# PREPARING YOUR HOME TO SELL



There's more to preparing to sell your home than simply declaring that you're ready to move.

## HERE'S WHAT YOU NEED TO DO BEFORE YOUR HOUSE GOES ON THE MARKET:

- Choose a listing agent.
- Make necessary repairs and updates.
- Determine the asking price.
- Stage your home.

## CHOOSE A LISTING AGENT

Treat your real estate agent selection process like you would any job interview: Make sure the person or team you work with is the right fit not only for your house, but also for you in terms of communication, temperament and availability.

Get referrals from friends or neighbors, interview more than one agent and pay attention to the agent's knowledge of the immediate area, responsiveness and how he or she plans to market your property.

You do have the option to forego a listing agent and market your home as for sale by owner. But the nuances of a real estate transaction can make a FSBO property less appealing to many buyers and their agents. The National Association of Realtors' 2020 Profile of Home Buyers and Sellers found the median sale price of an FSBO home was more than 10% less than the median price of an agent-assisted home.

# PREPARING YOUR HOME TO SELL

## MAKE NECESSARY REPAIRS AND UPDATES

Early on, an experienced real estate professional will take a close look at your home and point out minor fixes you can make to keep potential buyers from getting hung up on a dent in the wall or a broken cabinet door. You may also benefit from small renovations, such as refinished floors or new paint on the walls, that can keep buyers from viewing your home as dated.

The place to pay attention to first is what buyers will see immediately: the view from the street. Curb appeal is a major factor in a successful home sale, so you may need to repaint the exterior or clean the siding, plant new flowers and make sure you're keeping the lawn short, clean and alive.

If you don't have the money or the time to make the necessary repairs or updates, there's always the option to list your home for sale as-is, meaning the buyer can expect to take on any necessary repairs, renovations or maintenance tasks. But be aware that a home listed as-is will see the difference in the sale price – if a buyer knows they'll need to replace the water heater and roof and repair an aging deck, don't expect to get the same amount of money your neighbor did for a move-in ready property.

## DETERMINE THE ASKING PRICE

With updates and fixes made – or not – you and your real estate agent can more specifically address the asking price for the property. Rather than what you think the house is worth, the asking price should be based on what similar houses nearby have recently sold for and what makes your home stand out compared to them.

Even in a hot market where there are more buyers than houses available for sale, buyers aren't going to pay attention to a home with an inflated asking price.

## STAGE YOUR HOME

A final step before making your home visible to the public is staging the property. This process may involve moving your own furniture to storage and renting simpler pieces, or it may just mean moving a few chairs around and decluttering.

The point of staging your home is to help the key rooms – kitchen, living room, primary bedroom and primary bathroom – appeal to as many potential buyers as possible, rather than reflect your own style.

That means removing family photos, keeping counters clear and making sure each room is easy to navigate without having to dodge furniture.



# PUTTING YOUR HOME ON THE MARKET

Now that you've done the preparations for your house to enter the market, it's time to list it.

## **HERE'S WHAT YOU SHOULD KNOW ABOUT WHAT HAPPENS WHEN YOU PUT YOUR HOUSE ON THE MARKET:**

- Marketing your house online.
- Holding an open house.
- Keeping your home ready for tours.

### **MARKETING YOUR HOUSE ONLINE**

The first place most potential buyers and their agents will see your home for sale is online. Agents will likely post the property information and photos on the local multiple listing service, which is accessible to real estate professionals.

You'll also likely see your house appear on consumer-facing sites such as Zillow, Trulia, Redfin and realtor.com, which are either posted by your agent individually or pulled from the MLS. For this reason, professional photos of your home in pristine condition are a must to attract buyers to your property.

Since the onslaught of the coronavirus pandemic in 2020, real estate marketing adapted quickly to include video tour options, 3D tours of homes and virtual walk-throughs to allow people to view a home without having to go inside. With more buyers opting to make an offer without an in-person visit, the additional online options can be essential for finding the right buyer for your home.

Another key part of online marketing is making the house stand out compared to the dozens of others for sale nearby, so avoid overused words like cozy and updated, and aim to highlight unique aspects of the house or neighborhood that will actually draw people to your property.

### **HOLDING AN OPEN HOUSE**

If you market your home well, your online info will attract prospective buyers, but they'll also need opportunities to see it. A traditional open house can be an excellent way to get people in the door and talking about your property, even if they're not serious buyers quite yet.

Additionally, a separate broker's open house brings agents to the house to discuss the price, view the home and think about clients who would be interested in it.

As the home seller, never be present during the open house. Let your real estate agent take the reins, which allows potential buyers or agents to view the house and form a more candid opinion.

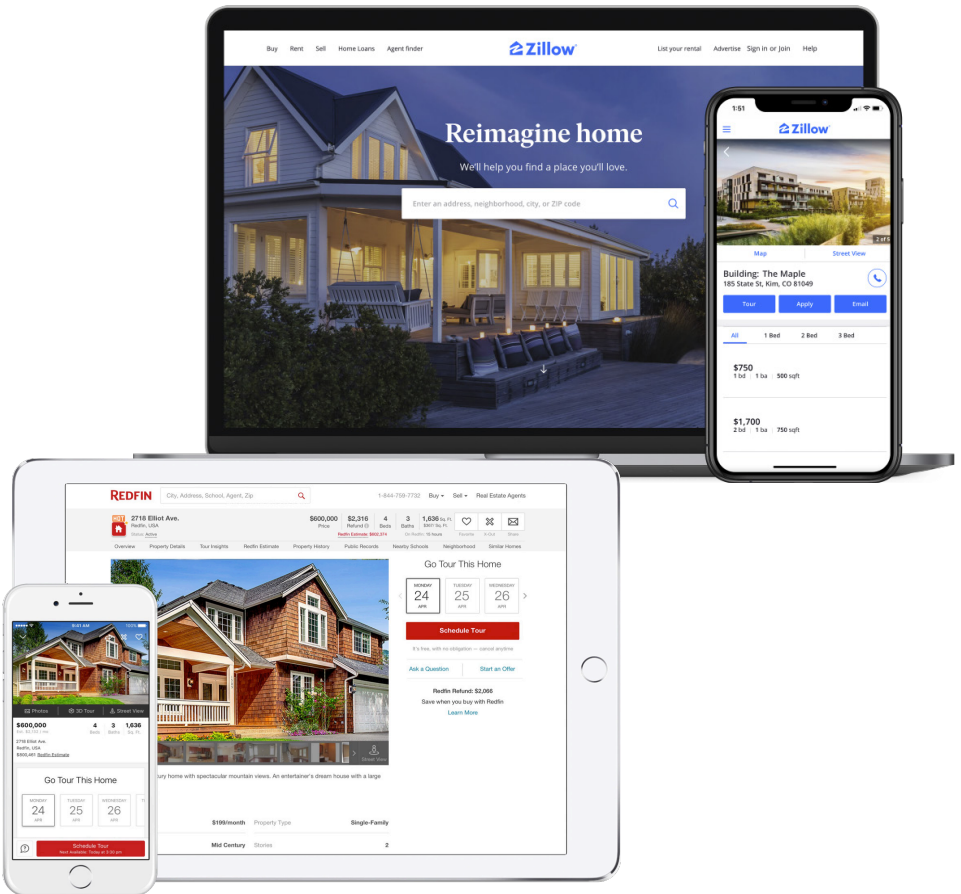


# PUTTING YOUR HOME ON THE MARKET

## KEEPING YOUR HOME READY FOR TOURS

As soon as your house is on the market, never leave home without tidying up – clear the floor of laundry, make the beds, vacuum daily and keep the sink clear of dishes.

Be ready to leave the house with only 15 minutes' notice. Not everyone is able to provide 24 hours' notice, and it would be a mistake to refuse a potential buyer's tour. It's also uncomfortable to tour a house while the sellers are sitting outside with their dog or kids, so have a place picked out where you can go while buyers visit your home.





# YOUR PENDING HOME SALE



You may get an offer on the home's first day on the market or it may take a couple months to find the right buyer, but once you do, the sale process will feel like it's moving even faster..

## HERE'S WHAT YOU SHOULD KNOW:

- How to handle multiple offers on your property.
- How to negotiate an offer.
- What to expect while you're under contract.
- What to know for closing.

## HOW TO HANDLE MULTIPLE OFFERS ON YOUR PROPERTY

If the price range of your home is in high demand or your neighborhood is particularly popular, you may receive multiple offers. Be sure to consider all aspects of each offer, not just whichever bid has the highest price.

A cash offer over one with financing, even if the price is lower, might be the best option because it can make closing much easier. You won't have to wait for a lender to approve of the agreed-upon price, the deal is less likely to fall through as a result of a financing issue and the closing date can be set for just a few days in advance, if desired.

If you need to remain in the home until a certain date, another buyer may offer to close before you move out and lease the house back to you for the needed period of time. Another might be willing to waive the inspection or have preapproval for a mortgage versus only prequalification.

## HOW TO NEGOTIATE AN OFFER

An offer you receive may have aspects that make you hopeful the buyers are serious, but you can also negotiate to help the deal work in your favor.

A counteroffer isn't always about the sale price, and can also include taking on closing costs for the other party, making some repairs or adhering to other needs of the buyer. Don't drag out negotiations too long, as you could scare away the buyer, but most parties involved are open to some tweaking to make a deal work.



# YOUR PENDING HOME SALE



## WHAT TO EXPECT WHILE YOU'RE UNDER CONTRACT

Once a price and conditions have been determined and agreed upon, you're under contract. During the due diligence period, most commonly the first 10 days under contract, the house will be inspected and appraised.

While your home is no longer actively for sale, don't think that means you can start neglecting it. Keep the place clean as you prepare to move out. At final walk-through, buyers are told to expect "broom-swept" clean, meaning there's no visible dirt or dust on the floor, all nail holes are patched and painted, and there's no new damage from when you moved out.

Also, keep in mind that the buyer is planning to make the home his own, so don't be offended by plans for renovations or fresh interior design.

## WHAT TO KNOW FOR CLOSING

Typically the day of closing or the day before, the buyer and agent will do a final walk-through of the vacant house to ensure the fixtures and shelves that are supposed to remain are there, there's no debris and there is no surprise damage.

You'll need to sign a series of documents including the deed and others regarding the transfer of ownership of the property, but in many cases the seller does not have to physically be at the table on the closing date. In many cases the seller can sign a day or two prior to the official closing date, if desired. Consult with your title agent to see if this is an option for you.

## SELLER DOCUMENTS TO SIGN

- Closing Disclosure or Statement
- Compliance Agreement
- Conveyance Deed
- Seller's Affidavit(s)
- 1099
- Firpta
- T47 Survey Affidavit
- Name Affidavits
- Gas and/or Pest Inspections
- Payoff Authorizations (prior to closing)
- Proceeds Authorization/Instructions
- Attorney Disclosures



# THE COST OF SELLING A HOME

From start to end, you will need to spend money to successfully sell your home. Whether it's the cost to rent furniture for staging, steam clean the carpet, replace broken cabinet doors or pay the brokers' commission, you'll need to be financially prepared to pay up throughout the listing period and transaction.

## **HERE ARE SOME COSTS YOU MAY BE EXPECTED TO COVER LEADING UP TO THE SALE OF YOUR HOME:**

- Repairs on the home prior to listing.
- Minor updates.
- Professional cleaning.
- Staging.
- Professional photos for marketing.
- Repairs following inspection.
- Fee for your attorney.
- Commission for both listing and buyer agents – typically between 4% and 6% of the sale price.
- Possible early payoff fee to your lender.

The total cost varies greatly depending on where you live, the house you have, activity on the market and how much money you're able to put in toward a successful sale. Zillow reports that, including broker commission, home sellers can pay between 6% and 10% of the price of the home by the end of the deal.

One major benefit of selling your home: You most likely won't have to pay taxes on the profits. The capital gains exclusion rule allows people who have sold their home to profit up to \$250,000 individually, or \$500,000 filing together as a married couple, without paying taxes, as long as they used the property as a primary residence for at least two of the last five years. Consult your tax accountant to confirm your specifics.



# MISTAKES TO AVOID WHEN SELLING

It's easy to get caught up in the heat of negotiations or feel overly confident that you know more than your agent.

## HERE ARE A FEW MISTAKES TO AVOID WHILE SELLING YOUR HOME:

- **Insisting on an inflated price.** Everyone wants to sell for a hefty profit, but stubbornly sticking with an asking price your agent doesn't agree on will likely have the property sitting on the market with little interest.
- **Refusing to neutralize the home.** Bright red walls and your kid's preschool artwork can make for a fun, lived-in home, but it's not what you want to present to a buyer. There's a reason you see most homes on the market with gray or beige walls with minimal decor – people like to see a clean slate.
- **Not improving the home.** Even if you know your outdated kitchen will lead to a slightly lower sale price, you should make minor improvements that make the house feel well-cared for. Clean and paint baseboards, scrub empty sinks and clear the counters and coffee tables so the surface looks neat.
- **Waiting to sell with no reason.** If you're waiting around for absolutely perfect market conditions to sell your home, you'll be waiting forever. Interest rates fluctuate, buyers go hot and cold and the weather can take a turn. While waiting for kids to be out of school for the summer or for a job offer to come in are solid reasons to set a specific timeline, don't wait for a sign that won't come.
- **Being inflexible.** Whether it's declining a potential buyer's request to tour the house on a Tuesday evening or refusing to negotiate when an offer includes you covering closing costs, you can only hurt yourself by giving a firm no. Eating out one night when you would rather have stayed in could get you an offer. An offer that requests you cover closing costs can be negotiated so you're only contributing a bit of the sale price toward fees.



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### 1. Houston - River Oaks (HQ) |

**713.621.5808**

2500 West Loop S., Ste 500 *(Until Mid Sept. 2021)*

4265 San Felipe St, Ste 400 *(From Mid Sept. 2021 forward)*

Houston, TX 77027

### 2. Cypress | **832.364.6900**

12300 Dundee Ct, Ste 215,

Cypress, TX 77429

### 3. Kingwood | **832.564.4512**

2815 W Lake Houston Pkwy,

Ste 106,

Kingwood, TX 77339

### 4. Katy | **281.578.4035**

19219 Katy Fwy, Ste 250,

Houston, TX 77094

### 5. Sugar Land | **281.240.2049**

1650 Highway 6, Ste 160,

Sugar Land, TX 77478

### 6. Memorial | **713.275.8110**

820 Gessner Rd, Ste 220,

Houston, TX 77024

## Central Texas

### 1. Northwest Austin | **512.241.1818**

9600 Great Hills Trail,

Ste 150 E,

Austin, TX 78759

### 2. West Austin | **512.607.5020**

3801 N. Capital of TX Hwy,

Ste J-120,

Austin, TX 78746

## North Texas

### 1. DFW Metroplex | **469.202.8800**

106 Decker Drive, Ste 330,

Irving, TX 75062

## Fee Offices

### 1. Ghrist Law Firm |

**713.337.0160**

5850 San Felipe Street,

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### 2. Ghrist Law Firm |

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9125 Belshire Drive, Ste 100,

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### 3. Ghrist Law Firm |

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Colleyville, Texas 76034

### 4. Kingsland | **512.521.0778**

14757 West FM 1431, Ste 204,

Kingsland, TX 78639