



What Every Home Seller Should Know

An educational resource of things every home seller should consider before talking with an agent.



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“Let me introduce myself and explain why I’ve created this FREE report to give you the information you need to select a selling agent!”

Dear Home Seller,

Selling a home can be really confusing. Why? Because you're bombarded with misleading information, confusing claims and bad advice from people who aren't accountable or responsible to you for the advice they give.

How can you find solid, practical information to help you select the right real estate agent? **Start by reading this free report.**

I'm providing this report so you may avoid some of the biggest pitfalls I see home sellers make every day when selecting their agent and selling their home. In this fact-filled report, you'll discover the amazing secrets I've used over the years. What I'm going to share isn't theory – my clients and I have tested it.

With this information, you can find the right real estate agent to sell your home.

And if you have any questions about the information in this report, send me an email at fred@indyhouses.net, or give me a call at **317-294-4425**. I've dedicated my business to helping people just like you.

Warmly,



FRED KRAWCZYK
&
ASSOCIATES

Fred Krawczyk
REALTOR®/Broker



F.C. Tucker Company



P.S. If you are feeling overwhelmed with the process of selling your home, and you would like a personalized plan to get you from point A to point B, I invite you to call me at **317-294-4425** right away.

How Should You Choose Your Real Estate Agent?

Should it be...

- A friend?
- An Agent who is visible throughout your community through personal promotion?
- An Agent with the most experience?
- An Agent who sells the most homes?
- A referral from a friend?
- At random?

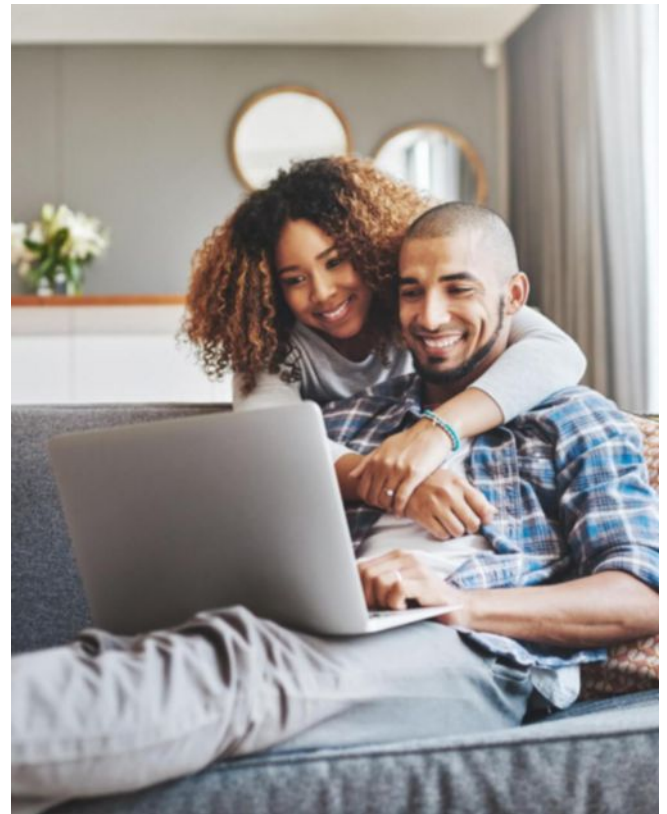
The answer is that none of these considerations alone should determine your selection. Yet often they do, with a friend in the business usually being the number one determinant.

The best approach is to fully understand the qualities most important in the selection of a real estate agent. To that end, below are questions you should ask an agent before hiring them to represent you in the sale of your property.

1. What do you think makes my/our home distinctive and how will this influence the way you market it?
2. How do you network with local realtors to increase their awareness of a home you market?
3. How do you market properties online?
4. How many photos do you suggest for my/our home?
5. What is your negotiating philosophy?
6. How do you determine the best pricing strategy?
7. Can you give me examples of when you sold a property for significantly

more than other agents thought possible?

8. How do you determine the right marketing mix?
9. What are the pros and cons of having open houses?
10. What makes you and your company different from your competitors?
11. Are you focused on selling more homes or selling homes for more?
12. Do you provide staging guidance and, if so, what do you charge for this service?



Why Homes Sell

The only satisfactory and professional explanation for why homes sell (or don't sell) can be traced back to the iconic Four P's of Marketing – a universally accepted principle in the greater world of selling and marketing.

The Four P's of Marketing

The Four P's of Marketing dictate that, "The interrelationship of Price, Product, Placement, and Promotion together determines the outcome of anything being sold."

When a Real Estate professional is focused on selling "more homes" versus selling "homes for more", then Price will always be their major reason.

When a Real Estate professional is dedicated to "maximizing homeowner value" then not only do these Four classic P's play a role but also the new Four P's:

- **Personal** – matching the right buyers for the property
- **Proximity** – conveying the contextual & localized lifestyle value and targeting buyers from around the world and "hyper-local" buyers already "sold" on the community
- **Portability** – mobile marketing
- **Presence** – ensuring the marketed lifestyle resonates online and through local promotion

While it is far easier to conclude that "the reason a property does not sell is because of price," this attitude dismisses the profound significance of developing a customized marketing strategy.

Frequently Asked Questions...Answered

What are recommendations most real estate agents would make to ensure my home is more attractive and more in demand to home buyers?

If you've had your home on the market previously, I would imagine you already have some feedback from the buyers' agents looking at your home.

Review the comments you've received while having your home on the market. What are the commonalities in those comments? If an issue has been brought up repeatedly, most likely it's something you need to take care of to ensure your home is more attractive to buyers.

Perform a curb-to-curb evaluation of your home. Begin in front of the home and walk through it, interior to exterior. Make a list of projects and tasks which need completed, and then sit down with your agent and select those items most important to complete for the sale of the home.

From this list, you can select the items you are willing to do. Your agent will most likely assist you, at no additional cost, in coordinating needed repairs or staging services.

Do most real estate agents actively prospect to bring buyers to my home?

Many top producing agents aggressively market the homes they list, not only to the real estate community, but also to their database, their leads, and the areas from where the buyers may be coming.

A strong marketing agent adds value by maximizing the exposure of your home because additional exposure equals greater demand which will often net you a greater price.

How should I expect my next agent to keep me informed after listing my home?

Ask the agent about their standard service plan. Make sure it meets with your standards and, if it doesn't, ask them for the additional service items and updates you feel you need.

Most quality agents will contact you weekly by phone, will be responsive to your emails and texts and will provide periodic reports about market activity, showings, buyer feedback and internet traffic. Communicate the service level which will make you comfortable and support your expectations regarding what is being done to sell your home.

Should I relist my home with my previous agent?

You could do that, if you feel their service was outstanding and it makes sense to do so. However, they may have already exhausted their ideas, opportunities and connections to sell your home. A fresh start with a new agent could be good for you mentally. Relisting it with a fresh sign and a new aggressive agent may create additional possibilities.

It goes back to how you feel about the agent you used previously and if they can come to the table with new ideas, new options and new ways to market your home.

What should I be looking for in terms of unique marketing?

Put the burden on your agent to provide a custom marketing proposal.

Agents will often tell you price is the only thing which sells a home. And while price is certainly part of it, the way an agent presents your home to the market and the aggressive manner in which they contact other agents, buyers and the public to expose that home to those potential prospects, can make a world of difference in the price you achieve.

Remember, exposure equals demand and a greater demand equals a higher price.

So have them present their custom proposal. If you feel there are items or opportunities the proposal doesn't cover, which you would like done, simply let them know.

If your requests are above and beyond the normal terms of expense, remember the agent is not earning anything upfront. So in a sense, they are taking on the risk and the expense of marketing the home. Therefore, it is not uncommon when there are unusual things you would like to have done, you, the seller, may have to initially pay the cost for those items with the agent reimbursing you for all or a portion of the costs at the closing.

What databases, networks or sources of quality prospects should my agent have access to?

Most seasoned agents will have a database of peers, professional connections, past clients, friends, family, and networking groups.

Ask what their reach is into the community. Based on their answer, you will know how well connected they are.

I have my own prospects. May I still work with them without paying a commission if I list with an agent?

You could, if the listing agent agrees to it, but the only way you could do this legally is to negotiate it in the listing agreement. Keep in mind, most listing agents who are going to invest time and money into selling your home will not agree to this.

You could, however, ask the agent to exclude those prospects from the agreement. Some agents may agree, and some may not. If you choose to do this, you may be able to negotiate a reduction in the fee. However, many top agents who are strong negotiators will not reduce the fee because they know they will now bear two sides of the transaction along with the legal liability.

You may want to weigh your options as there is a benefit in having an agent get in the mix, take this off your plate, and negotiate the contract on your behalf to protect your best interest.

Can I list with more than one agent?

You can but it would require a different type of listing agreement than an exclusive right to sell. This is not a common practice in most markets although it does occur.

Usually a shared listing is more common where an out-of-area agent elects a local agent to service a client and share the listing.

What do I do if I'm listed with an agent and I'm not satisfied with the service? How can I escape my contract?

Technically, if you've signed a listing agreement and there is no easy exit clause written into it, you would be obligated to continue with that agent for the term of the contract or pay a fee such as commission or a cancellation fee. You would have to negotiate with the agent to escape the contract. Most reputable agents though, if they feel you are not happy with their service, may not want to continue to work with you.

While your current agent may not be perfect, you may want to consider giving them the opportunity to correct any mistakes you feel they are making since you have an established relationship with them and you can never be 100% sure if you trade them in, you'll actually be trading up.

Key Features to Showcase When Marketing My Home

This worksheet will give your real estate agent valuable information to help them showcase your home and highlight key features and benefits in the marketing campaigns. Supply as much detail as possible and they will know which items are best to use to add value and create excitement.

1) What I have enjoyed most about living in this community:

2) The most recent upgrades and improvements:

3) The features about the home we utilize most:

4) What we will miss about living here:

5) The order I believe the photos should be taken to give the buyer the best sense of the homes style:

4 Steps to Selecting the Right Real Estate Agent

Step 1: Make a Commitment to Act

Funny as this may sound, I can't tell you how many times people have requested this report and then said to me, "If I would have known what you just showed me, I would have avoided so many problems!"

I've shared a few simple ideas in this report, but these ideas are only as good as the action put into them. Decide to act right now.

Step 2: List Your Objectives

Jot down what your goals are in selling your home. What is your most important goal? Selling quickly? Getting top dollar? Not selling before you have an accepted home offer on your next home?

What do you expect from the agent you hire? How often do you want them to communicate with you? Do you want an open house done? If so, how often do you expect one?

Step 3: Contact an agent who knows how to market your home effectively

Of course, I'd love to be the agent you choose to work with, but let's face it, I'm not right for everyone. That's why I've given you the questions to ask your potential agent – or as I like to call them – your marketing partner.

If you would like additional information, please reach out to me at **317-294-4425** or via email at fred@indyhouses.net.

Step 4: Act

Do I need to say anything more? Reach out to me and let's talk about how to get your home sold for top dollar. Let's work together!



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Referral Request (if applicable)

I am leaving the area and need a referral agent to provide preliminary information to me.

My destination: _____

When I would like to be contacted by the agent: _____

Best method of contact: _____

When I expect to be in town to view homes: _____

Please complete the enclosed needs and wants list so that I can forward it to the agent in your new destination so he or she can begin the search.

Needs and Wants

Name _____

Address _____

Telephone: (Home) _____ (Work) _____ (Cell) _____

Children (names/ages) _____

Pets: _____

Hobbies/Special Interests _____

Best times/days to look at homes _____

Reason for move / purchase _____

Current home: Purchase (Date/Price) _____ Estimated Equity _____

Other _____

Like about present home

Dislike about present home

Needs

Type of home (number of stories) _____

Style of home _____

Size of garage needed _____

Exterior desired _____

Lot size/yard features _____

Number of bedrooms needed _____ Number of baths needed _____

Special rooms needed _____

Distance to:

Employment _____ Public transportation _____ Church _____

School _____ Shopping _____ Other _____

Other special needs _____

Wants

Include features the buyer would like to have such as a family room, dining room, patio, porch, fireplace, heating/cooling systems, built-ins, recreation, sauna, hot tub, swimming pool, etc.

Estimated Move Up Purchase Price: _____

Glossary of Terms

A

Acceptance – The time at which an offer to purchase is accepted. The fact that it was accepted must be relayed to the person that made an offer for all parties to be bound to the contract.

Amortization – The repayment of a loan over time. With each payment, there is a reduction of both principal (the original amount borrowed), plus the interest.

Appraisal – A professional determination of value. Mortgage companies usually require an appraisal of the property by a licensed, disinterested party before agreeing to loan money on the property. Methods of determining value may be based on many things, such as comparable sales in the area, the cost approach, the income approach, or the highest and best use of the property.

As-Is Condition – Disclaiming any warranties or representations regarding the condition of the property.

B

Back-Up Contract – A contract or offer that is in a secondary position to an already existing contract. This contract shall be elevated to the first position if some condition in the first contract is not met. If the first position contract is consummated, then the second contract is no longer in effect.

Bridge Loan, also called a **swing loan** – A short term loan used to transition in between paying off an old loan, and the inception of permanent financing. This is often used to build or purchase a new home, when the previous home is still owned, but is up for sale. Once the previous home is sold, and the owner receives the proceeds from that sale, permanent financing is usually obtained.

C

Certificate of Title – A statement verifying who has the rights and responsibilities of ownership in a property. This may be ascertained by a public record search but does not guarantee that any other parties may not stake a claim to the property. Title insurance protects against claims that may arise against the title.

Clear Title – Ownership that is free of liens, defects and encumbrances, beyond those which the owner agrees to accept.

Closing – The transaction where title passes from seller to buyer and the seller is paid. A settlement statement shows all costs incurred and gained by both parties.

Closing Costs – The expenses incurred in obtaining the property and transferring title to the new owner. This may include, but is not limited to attorney's fees, points, title charges, credit report fee, document preparation fee, mortgage insurance premium, inspections, survey, appraisals, prepayments for property taxes, deed recording fee, and homeowners insurance.

Commitment Letter, also known as a **loan commitment** – A written offer by a lender to make a loan by a particular date under certain conditions. A buyer has more clout with a seller if they submit a letter of loan commitment from their lender to the seller at the same time they submit their offer to purchase to the seller than a buyer who has not even applied for the loan yet.

Contingency - A condition that must be met before a contract is legally binding, or before a sale is to be completed. The contingency provides an out or an escape from performing if the condition is not met.

Conventional loan or conventional mortgage - A real estate loan, which is neither insured by the government agency FHA nor guaranteed by the Veterans Administration. Typically, subject to the terms of their particular institution, the conditions may be more flexible, as the lender is not required to follow federal guidelines. The lender looks to the credit of the borrower and the security of the property to insure payment of the debt.

Counteroffer - If the receiver of an offer makes any changes to the original offer, it is considered a rejection of the initial offer and becomes a counteroffer.

D

Deed of Trust - Some states use a deed of trust to convey property being held as security for a loan. This document is then conveyed to a trustee and can be used to sell, mortgage or subdivide the property.

Deposit – (also called Earnest Money) - A good faith deposit of a sum of money offered by the prospective purchaser at the time of the offer to purchase. These funds are typically deposited into an escrow account and held until the real estate closing takes place. At the closing, the buyer is most often given credit for the earnest money that has already been paid, but in some cases, it may be returned to the buyer at closing. These funds may also be returned to the buyer in some cases if the contract on real property doesn't go through to a final sale.

E

Earnest Money (also called Deposit) – Funds given by the buyer and held in an escrow account until the real estate closing. In some cases, these funds are refundable if the loan fails to close, but if the loan does close, the purchaser is given credit at closing for the earnest money.

Escrow – A neutral third party holds other people's funds in a secure account for future use. An earnest money deposit is held in a real estate broker's escrow account. It is the broker's account, but he is holding the buyer's funds in the account for safekeeping until closing. In the case of a mortgage, the total monthly mortgage payment may include funds to pay for future taxes and insurance paid in addition to the principal and interest. This escrow is held by the lender until taxes and insurance are due, at which time the mortgage company pays the taxes and insurance on the borrower's behalf. After the taxes and insurance are paid, the lender may re-adjust the total monthly payment to insure sufficient funds for future escrowed items.

Exclusive Agency Listing – A written agreement between a property owner and a real estate broker giving the broker the exclusive right to sell the property for a specified period and at a specified fee. Agents whose licenses are held by a broker may sign on their broker's behalf.

F

First Right of Refusal - A legal right by an individual giving that person the first opportunity to purchase or lease real property.

H

HUD -The U.S. Department of Housing and Urban Development. This is the agency responsible for enforcing the federal Fair Housing Act. Among HUD's many programs are urban renewal, public housing, rehabilitation loans, FHA subsidy programs, and water and sewer grants. The Office of Interstate Land Sales Registration, the Federal Housing Administration (FHA) and the National Mortgage Association (GMNA) are all under HUD.

L

Loan Commitment - A lender's written approval granting a specific loan amount, conditions, and a set time limit for closing the loan.

Loan Origination - The process of applying for a mortgage loan.

Loan Originator - The person who assists borrowers in obtaining their new loan.

Loan to Value - The ratio of the amount of the loan divided by the value or sales price of the home.

Lock In - An agreement in which the lender guarantees a specified interest rate for a certain amount of time at a particular cost.

N

Non-Conforming Loans - Loan amounts that exceeds FNMA's \$417,000 (as of July 2006) maximum lending.

P

Possession - The buyer occupying the property that is purchased or a tenant occupying the property that is leased. In a real estate sale, possession is rarely granted prior to closing when the seller receives their funds.

Prequalification - Having a mortgage lender advise that debt ratios and credit report plus other factors show a borrower qualifies for a particular loan amount before signing a contract.

Purchase and Sale Agreement - The contract between the buyer and seller stating terms, conditions, sales price and other pertinent information about the property being purchased.

Q

Qualify - To meet the guidelines based on debt, income, and credit worthiness.

Qualifying Ratios - Comparing a borrower's income to their proposed monthly housing expense. Also comparing their income to monthly housing expense added to all of the borrower's other debt obligations.

Quit Claim Deed - A document by which one property owner releases his or her claims, rights and interest in a particular property.

R

Rate Lock - When the lender issues a written commitment to a borrower as to a specific interest rate for a specific period of time.

Real Estate Owned - (REO) - Real estate that is owned by a bank or financial group. Usually a result of their borrowers defaulting on the loan and the subsequent foreclosure of the property from that buyer.

Right of first refusal - The right to the first opportunity to lease or purchase real property. For example, apartment tenants might retain the right of first refusal when their units are being converted to condominiums.

S

Sweat Equity - The equity earned as a result of the owners' labor in upgrading and improving the property.

T

Tax Lien - A lien against a property for unpaid taxes.

Ten Thirty One Exchange - (1031 Exchange) - A means of deferring capital gains taxes on real estate exchanges for like kind properties. This is allowed under the U.S. Internal Revenue Code, Section 1031.

Term - The length of time it will take to pay the mortgage in full.

Time Limit of an Offer - An offer should include a specified time period during which the other party must decide to accept, reject, or counter the offer.

Title Company - The company that, for a fee, checks and insures the title against liens, ownership claims, and title problems.

Title Insurance - An insurance policy that may be purchased to protect the new owner from any liens or clouds against the title. In order to issue title insurance, the issuer will perform a title search in the county records. Since title is searched at the time of closing, title insurance is usually less expensive at the time of closing, rather than if a buyer called the title company at a later time as an additional title search would have to be performed prior to issuing the insurance.

Title Search - A review done by the title company's representative of all records available to determine if the title is indeed clear of all liens and claims.