

TIPS FOR THE “FOR SALE BY OWNER”

Trying to sell your house yourself can bring substantive rewards or unmitigated frustrations. Here are a few tips to smooth the process:

- Decide the date when, if unsuccessful, you will give the listing to a broker or take the home off the market
- Before advertising, allow time to tidy up the yard, clean up the interior, de-clutter the closets and clean out the garage.
- Paint your own yard sign? Don't even think about it. Buy one at a hardware store or pay a sign company to, make one. Lock the house when you're not home.
- Newspaper ads should begin with the words "By Owner." Also give the address, asking price, the number of rooms and special details such as a marble floor in the foyer. Include day and evening phone numbers. Buy or rent an answering machine.
- Price the house realistically. Brokers interested in getting your listing might offer to do a free, no-obligation market analysis of comparable home sales in your area. Let them. It's a great tool to help set your asking price and a good way to establish contact with brokers. You might need one later.
- Prepare an information sheet for prospective buyers. Include details about each room, appliances, special assets, lot size, neighborhood, school districts, taxes, and such. Include a photo of the home's exterior taken when the yard is at its prettiest. Work up a seller's condition report stipulating your knowledge of the condition of the home's structure, it's mechanical, electrical, and plumbing systems.
- During open house, hide all valuables and farm out children and pets. If the weather is inclement put a floor mat and umbrella stand in the front hall. Turn on all the lights; bake bread or muffins for a delicious scent, put out fresh flowers and new towels. Don't let people wander around alone; accompany them to each room and point out amenities.
- Get names and phone numbers from everyone who looks at your home. Offer to make them exclusions to any broker's contract you might enter into later. A day or so after someone sees your home, phone to ask if he has any questions. If you reduce the asking price or receive an offer, phone everyone who has seen the house to alert them to these new developments.
- Negotiate the price of the house dispassionately and bargain creatively. For example, to get your way on the closing date, offer to include the refrigerator. If you want to take the parlor chandelier, offer to leave the swing set. Be wary of offering a land contract, or help with seller financing to strapped buyers. Require interested bidders to divulge their occupation and employer, household income, major debts and proposed down payment. Do a credit check on them.
- Hire a lawyer to guide you through the closing process.

▪ HOME SELLING COMPLEX, SOMETIMES SCARY

In the last three months, residential real estate owners in the four-county Milwaukee area placed a total of 5,720 homes, duplexes and condominiums on the market. Their offerings ranged from ramshackle rat traps to princely mansions, from spit-polish colonials to broken-down bungalows in the sort of abject decline that appeals only to the naïve or the handy.

During the same time, January through March, a total of 1,954 Milwaukee-area homes, duplexes and condominiums were sold, according to the Multiple Listing Service (MLS), a clearing-house that lists properties and disseminates information about them.

Most of those sellers were aiming for a clean, fast lucrative sale. The buyers, on the other hand, were conjuring up visions of a clean, fast bargain. Somehow, they got together.

In the coming months that scenario will be re-enacted again and again, for springtime is traditionally boom time in the real estate market.

This is the second of two articles spotlighting the real estate scene locally and statewide. Last week's story focused on the buyer's perspective, offering an overview of the market and advice to those entering it. Now we turn to the sellers.

The horror stories are horrible enough to flip Hitchcock facedown in his grave.

There was the young couple with small children, proudly showing their starter house to a finicky prospective buyer. When they got to an upstairs bathroom, the sellers were mortified to see – and smell – the unflushed remains of their young son's diarrhea. The buyer fled.

There was the yuppie couple who spent a small fortune redecorating their home in trendy new jewel tones to attract buyers. But the buyer's weren't impressed. Before the ink was dry on the closing documents, the new owners had marshaled a platoon of painters; carpet layers and wallpaper hangers to redo it all.

There was the man who showed his home at dusk and refused to turn on lights so the buyer wouldn't notice brown water marks on the foyer ceiling. The buyer noticed...after he bought. The buyer turned out to be a lawyer.

There was the woman who advertised her house for sale by owner and a week later sashayed off for a Florida vacation. She wondered why her house languished on the market.

Selling a house is a complicated and risky business, and the risks of doing it wrong can carry huge consequences.

Real estate experts are viewing this spring as neither a buyer's nor a seller's market, except for a few hot spots.

QUESTIONS AND ANSWERS

Q: What does a real estate broker do for the seller?

A: Through MLS contacts, the broker can expose the property to a great number of potential buyers. Many brokers here also are tied to national relocation networks that attract transferees. They often are the most motivated buyers.

The agent helps a seller set the price by doing a market analysis, taking a survey of the house and property and looking at recent comparable sales in the area. The agent provides and eye-appealing yard sign, a legal description of the property including a lot size and tax information and an information sheet on the house including photograph. He also determines whether the property conforms to local codes and helps the seller determine what steps to take to get the house ready to sell.

The agent can provide a contract for a home warranty plan, and acts as a liaison between buyer, seller and the home warranty company. In the final phases of the sale, the agent gets together the title or abstract, collects tax information, oversees home inspection schedules and keeps the seller informed as to how the buyers are working through the financing process.

Q: Why do people try to sell on their own?

A: Independence, spawned by fear a broker will pressure them. Or they feel they can successfully market the house and save the broker's commission. According to nationally syndicated real estate columnist Edith Lank, fewer than 1 in 10 homes nationwide sells without a broker.

Q: How do you find a good real estate agent?

A: Look for a person compatible to your own personality, someone with training, experience, enthusiasm and a professional demeanor, someone referred by friends who have sold a home recently or who specializes in your area of town.

Q: How much should I do to the house to get it ready for sale?

A: Give it good road appeal by tidying up the lawn and planting flowers. Touch up exterior paint. Make sure the inside is spotless and uncluttered. Ask a friend or relative to store the excess from closets, attic and basement. Repair small items such as silent doorbells, sticky doors, and drippy faucets. If major items such as the roof, carpeting or basement walls need substantial and costly repairs, get written estimates and have these available for buyers to read. Bargain accordingly.

Q: What's the best way to negotiate?

A: If an offer meets your financial expectations and timing requirements, accept it. If the price is right but other details are wrong, counter the offer and keep the lines of communication open.