

Selling a Home

And how to get the most out of it

Information on how to get the most out of your property sale, whether your home is in tip-top shape or has major damage, so you can be ready when the time to sell your home comes around. Be it with the New Life Developers or not, we hope to help you have the smoothest selling & moving experience possible.



Written by New Life Developers

This is exciting!

Your home may be your single biggest investment and one of the largest financial transactions you'll ever make. When you sell, you want to get the best price and the most favorable terms.

To do this, one must prepare their home to sell, and do a little more marketing than placing a classified ad in the newspaper and anchoring a "For Sale" sign in the front yard. It may be extra work, but it's worth it by tens of thousands of your own money.



How to begin...

There are a variety of details that go into the legal transfer & sale of a real estate property, from the time you set the price to the final closing. We want people to be prepared for and knowledgeable about the process, because we know how confusing and tricky it can seem to some. So this brochure/booklet walks any new home seller through the preparations, showings, legal documents and transactions of selling their home.

Our first section is about preparing your home, which we believe makes the largest difference in the final result of your home sale. The price for which you can sell your home is also often deeply affected by the perception of value from the potential buyers. Research tells us that if a buyer thinks the home looks clean and cozy, they will offer thousands more. If they see chaos, they may not even make an offer, while if clutter is removed they would consider the home.



Aesthetics of a home sell a property faster than nearly any other feature. While the home's location is actually the top game changer, it is rare for a home owner to be able to change the location of their home. However, the appearance of your home is, for the most part, in your control. What you can do can truly make a difference.

PREPARATION

In any situation, a clean & aesthetically appealing home will sell faster and for more money. A home that is in need of few or no repairs will sell faster and a higher price than one that is run as well. We suggest sprucing up your home to ensure any potential buyer can see the best possible presentation - so they can imagine themselves enjoying living in that home. This checklist will help you cover all the areas that buyers will notice and often base their purchase decisions on.

Exterior of Home:

- Walls & Doors: Replace peeling or chipped paint with a fresh coat, wash off moss, stains & dirt!
- Gutters & Downspouts: Clean them out, pine needles can be distracting ☺
- Lighting: Ensure house is well lit at night (front door and walkway) and all fixtures work.
- Roof: Wash off any moss or debris, and replace missing shingles (but carefully & with a buddy!).

Yard:

- Grass: Mow, edge, and re-seed/fertilize if necessary.
- Trees & Shrubs: Prune if overgrown, and know that trees and shrubs are a great selling point!
- Dead or Sick Plants: Remove, and consider replacing if needed.
- Driveway: Clean off grease and oil stains using a pressure washer and sweep off natural debris.
- Play Space: Organize active items (mowers, bicycles, craft projects) in a shed, or a hidden space.
- Flower Beds: Remove weeds, and maybe consider adding blooming flowers if it looks empty.
- Cars, Campers, Boats: Remove all fixer vehicles from the property, and ensure well-looking vehicles are in driveway, off of the lawn and have left enough space for the relator and home seekers' cars during the showing.

Patios:

- Refresh Wood: Paint or stain worn areas, and sand/replace any rough boards.
- Clean Natural & Debris: Remove grass that's out of place; sweep off natural debris from trees.
- Fencing: Make sure it's secure, replace missing slats or posts, maybe re-paint if paint looks worn.

Front door:

- Hardware: Polish, and ensure all pieces work properly (& no squeaks when the door opens!)
- Paint: Add a fresh coat of paint to get rid of nicks and make it look inviting!
- Glass Doors: Clean the glass if there is a storm door and make sure the screen is secure.
- Doorbell: Clean, and rings when pressed!

Windows:

- Glass: Use window cleaner for the glass, and wipe down inside and out.
- Trim & Window Sills: Wipe down (soapy water & a rag!), and paint if it looks distressed.
- Operation: Ensure they open and close easily (WD-40, or replace window, if it does not).
- Cracked Panes: Go ahead and replace cracked window panes, or panes with broken seals.
- Screens: Make sure screens are secure, & replace screens with large holes or tears.

Entry:

- First Impression: This is the first taste of the inside! Have fresh flowers, a small entry table, and make sure it's clutter free to help the buyers imagine themselves living there.
- Floors: Vacuum/sweep entry way floors and area rugs.
- Closet: Remove non-essential items from entry closet and it creates the feel of spaciousness!
- Lighting: Double-check entry lighting and make sure it is bright enough, and operating well 😊

Living Room/Dining Room/Family Room:

- Walls: Repair cracks/holes, re-paint, secure peeling wallpaper, repaint chipped woodwork.
- Draperies/Blinds: Clean them, ensure they open & close easily, leave open to maximize light.
- Flooring: If possible, steam-clean carpets & any large rugs. Mop wood flooring.
- Furniture: Vacuum or dust off. Consider repositioning the furniture to show the room size.
- Scent: Light some candles or spray an air freshener. Scents like Fresh Laundry, Cinnamon, and Vanilla are widely liked and neutral enough to not deter a buyer.
- Lighting: Remove & replace semi-permanent items (chandeliers, draperies) that you'll take.
- Personal Items: Remove toys, hobby supplies, extra magazines, and books from tables.

Kitchen:

- Countertops: Clean them, and try to remove any stains!
- Sink: Fix any loose or dripping faucets, grind lemon in disposal, rinse clean & dry inside.
- Cabinets/Pantry: Organize so they appear clean, neat and spacious.
- Refrigerator/Freezer: Polish doors, and ensure they are free of odors 😊
- Oven/Stove: Try to eliminate any visible grime or stains.

Bathrooms:

- Sinks: Clean & dry out, and fix any leaky or loose faucets.
- Countertops: Wipe clean, and be sure to remove items such as prescriptions, hair ties, toothbrushes not in a holder. Add some pretty soap 😊
- Toilet: Clean, even the details! A clean toilet makes one of the dirtiest places look exceptional.
- Mirror: Clean!
- Details: Make sure all joints are caulked. Remove grout and soap stains from tile.
- Fixtures: Ensure lighting & Exhaust fans all match and work well.
- Shower: Clean, removing stains and grime, and install a new shower curtain!

- Extra Supplies: Store extra toilet paper, shampoo bottles etc. under a sink, or in a drawer.
- Decorations: Place a box of tissues, fake flowers, a nice looking candle on counter/back of the loo. Invest in a matching set of towels to fold nicely or hang in room.

Bedrooms:

- Walls & Ceiling: Repair cracks or holes, clean out any spider webs or dust, and paint/re-do wallpaper if necessary.
- Windows: Clean draperies/blinds, open them to let light in!
- Items: Put away toys and clothes. Put sensitive items, such as medications & bills, out of sight.
- Lighting: Ensure lights all work, add lamps if needed. Turn on all lamps for comfortable feel.
- Decoration: Neatly make up the beds, add fresh flowers, light a candle ☺ it's golden.
- General: Remove anything that is not pretty or necessary, don't forget closet (showcasing size!).

Basement:

- Water Damage: Remove evidence of dampness, and try to fix any leaks that were unattended.
- Musty Odors: If present, try Moisture Absorber & Odor Eliminator (at Walmart or Lowes☺)
- Furnace & Drains: Clean them!
- Light Fixtures: Ensure they are working, and provide enough light for comfortable vision.
- Storage Area: Arrange items in a neat and organized manner.
- Floor: Sweep, mop if needed.
- Stairway: Clean steps (Vacuum, sweep etc.) and ensure handrail is secure, or add one if without.

General Tips:

- Brown / Hibernating plants: Hide or remove any indoor houseplants that aren't looking their best.
- De-Clutter: This includes removing items that aren't really clutter, but magazines on the coffee and end tables.
- Worn-out Pillows & Other Accessories: Hide or remove to prevent buyers from seeing the home as worn-down.
- At Night: Turn on porch light and outdoor lighting!! Buyers often drive by homes they are considering at various times of the day. Set a reminder on your phone to turn on those lights ☺

SHOWING YOUR HOME

Once your home is ready to show, your agent should begin marketing it to potential buyers. When home buyers express interest and set up a time to view the home, your agent should let you know the time and date.

If possible, leave when the home buyers are present so they feel comfortable asking their agent candid questions.

Other helpful things to do the day of include:

- Animals: Removing or Penning up pets in the yard or garage. Spray their spaces with deodorizer if applicable (in case they aren't animal people ☺).
- Light & Comfort: Let the light in! Turn on plenty of lights and lamps, open all shades/curtains, light a few candles and fluff the pillows. Light a fire in the fireplace if there is one!
- Space: Remove any clutter from tables and bookshelves, floors etc. - because neatness makes rooms seem larger!
- Yard Items: Put away items in the yard like garden tools, bicycles and toys.
- Kitchen: *Dry* the Sink, and grind up part of a lemon in the disposal to add a fresh smell!
- Sounds: Turn radios and TVs off, take electronics that could ring with you.
- Valuables/Sensitive Items: Put all money and sensitive items (i.e. prescription drugs) out of sight.



A wonderful example of how the living spaces should look, with designs by Christopher Dallman

I FOUND A BUYER!

Once you've found a buyer for your home, the financial and property transactions begin, which can include a variety of paperwork and deadlines. All of the common and some of the less common ones are listed here, and explained. If you have an agent, they will likely be highly involved in helping you navigate this. This booklet can help you know what to expect during the process, and what you should prepare.

PURCHASE AND SALE AGREEMENT

This is the contract in which you and the buyer outline the details of your property transfer. The purchase and sale agreement usually consists of the following pages:

- Earnest Money Receipt
- Financing Addendum
- Inspection Addendum
- Conditions/Disclosure Addendum
- Contingency Addendum – when appropriate
- Addendum Outlining Special Conditions
- Lead-Based Paint Notification—when appropriate
- Agency Disclosure *
- Property Disclosure Form (completed by you with help of your agent) *

**only in certain locations*

HOME INSPECTIONS

Once a buyer has decided to make an offer on your home it will usually be contingent upon a professional inspection of the entire property—including inspecting the home improvements you made. The home inspector also looks beyond the cosmetics to make sure that the home's general systems, such as the electrical wiring and more, operate properly. The inspector will also look for large repairs that are needed and report on the condition of the physical structure of the home.

The standard home inspector's report will review the conditions of the home's heating and cooling system, interior plumbing and electrical systems; the roof, attic and visible insulation; walls, ceilings, floors, windows and doors; foundation, basement and visible structure. The inspector will also look for cracks in the cement walls, water stains that indicate leakage and any indication of wood rot.

A home inspection also points out the positive aspects of a home as well as the maintenance that will be necessary to keep it in good shape. These notes from your home inspector will be shared with the potential home buyer, but may sway their decision to commit to the house or lower their offering price if there are major concerns found. So word to the wise, don't cover up major problems – get them fixed or be honest with your homebuyers upfront so you don't waste time showing the home if they wouldn't be interested in the long run. No home is perfect though, and your agent can help you negotiate through the process of deciding what to fix and what to keep. However, sometimes unexpected major problems are found and people struggle to sell their home. If you are in this situation, please consider contacting us at New Life Developers, and we will buy your home without any repairs.

WORKSHEET:

CALCULATING NET PROCEEDS

Your net proceeds are the difference between what you paid for the house and the price for which you sold it. Your agent could also help you determine this, but here is a short add and subtract worksheet to establish the total amount you lost or made, depending on what the home buyers are offering. You can use this to see what is a good offer and what is not.

SALE PRICE OF HOME:	\$ _____
<i>ALL ESTIMATED DISBURSEMENTS (EXPENSES)</i>	
EXISTING HOME LOANS	\$ _____
PRORATION OF INTEREST, LOAN DISCOUNT	\$ _____
STANDARD TITLE INSURANCE	\$ _____
STATE EXCISE TAX, ESCROW	\$ _____
INSPECTIONS, RECORDING, BROKERAGE/SERVICE FEES	\$ _____
MISCELLANEOUS (OTHER LIENS, HOME IMPROVEMENTS ETC)	\$ _____
TOTAL ESTIMATED DISBURSEMENTS <i>(ADD ALL ABOVE ITEMS FOR TOTAL)</i>	\$ _____
<u>ESTIMATED NET PROCEEDS</u> <i>(SALE PRICE OF HOME - TOTAL DISBURSMENTS)</i>	\$ _____

SETTLEMENT

WHO PAYS WHAT?

During the negotiation stage of the transaction a mutually agreed-upon date for closing is determined. “Closing” is when you and the buyer sign all the papers and pay your share of the settlement fees, and the settlements are recorded. Settlement obligations carry widely due to specific contract language local laws and customs. Prior to close, the closing agent (usually an escrow or title company or attorney) will complete a detailed settlement statement for both buyer and seller. Your real estate agent can help you understand which of the following typical settlements will apply to you, but here are the most common ones that should be considered.

THE SELLER RECEIVES:

- Utility deposits held by gas, electric cable, telephone and other companies
- Prorated portion of prepaid property taxes
- Prorated mortgage interest from payment during the current month
- Fuel rebate for oil or propane remaining in storage tank
- Net proceeds after seller's share of expenses are paid

THE SELLER PAYS:

- Brokerage Commission (the sum or percentage of the sale price, previously agreed upon by the seller and Real Estate agent)
- One-half of Escrow of legal fees paid to the attorney or escrow company for preparing the closing
- Document preparation fees
- Recording and notary fees
- Title search and title insurance (paid by either the seller or the buyer)
- Local transfer taxes if any
- State taxes, if any
- Repairs or inspections you have agreed to pay for.

CLOSURE!

Once you have sold your house, rejoice! That usually takes a lot of work, but you did it! All that is left now is to set a move out date that works for both you and your home buyers, pack up your items and move to your new house. Our ‘Buying a Home’ booklet helps with the purchasing of your new home and the process of packing and relocation, if you want extra guidance in these areas. And if you need any help finding your new home, we at New Life Developers have a variety of beautiful homes you can consider. We hope this booklet was helpful, and that you have a truly blessed adventure wherever you are going!

GLOSSARY

ADJUSTABLE RATE MORTGAGE (ARM): Interest rates on this type of mortgage are periodically adjusted up or down depending on a specified financial index.

AMORTIZATION: A method of equalizing the monthly mortgage payments over the life of the loan, even though the proportion of the principle to interest changes over time. In the early part of the loan, the principal repayment is very low, while the interest payment is very high. at the end of the loan, the relationship is reversed.

ANNUAL PERCENTAGE RATE: The actual finance charge for a loan, including points and fees, in addition to the stated interest rate.

APPRIASAL: An expert opinion of the value or worth of the property.

ASSESSED VALUE: The value placed on property by a municipality for purposes of levying taxes.

BALLOON PAYMENT: A large principle payment due all at once at the end on some loan terms.

CAP: A limit on how much the interest rate can change in an adjustable rate mortgage.

CERTIFICATE OF TITLE: A document, signed by a title examiner, stating that a seller has a insurable title to the property.

CLOSING: The deed to property is legally transferred from seller to buyer and documents are recorded.

CLOSING COSTS: See “Settlement” or refer to “Settlement- Who Pays What” section in this Booklet.

COMMISSION: A fee (usually a percentage of the total transaction) paid to an agent or broker for services performed.

COMPARATIVE MARKET ANALYSIS (CMA): A survey of attributes and selling process of comparable homes on the market or recently sold; used to help determine a correct pricing strategy for a seller’s property.

CONTINGENCY: A condition in a contract that must be met for the contract to be binding.

CONTRACT: A binding legal agreement between two or more parties that outlines the conditions for the exchange of value (for example: money exchanged for title to property).

DEED: A legal document that formally conveys ownership of property from seller to buyer.

DOWN PAYMENT: A percentage of the purchase price that the buyers pay in cash and may not borrow from the lender.

EQUITY: The value of the property actually owned by the homeowner: Purchase price, plus appreciation, plus improvements, less mortgages and liens.

ESCROW: A fund or account held by a third-party custodian until conditions of a contract are met.

FIXED RATE MORTGAGE: Interest rates on the its type of mortgage remain the same over the life of the loan. Compare to “adjustable rate mortgage.”

FIXTURE: A recognizable entity (such as a kitchen cabinet, drape or light fixture that is permanently attached to property and belongs to the property and belongs to the property when it is sold.

HAZARD INSURANCE: Compensates for property damage form specified hazards such as fire and wind.

INTEREST: The cost of borrowing money, usually expressed as a percentage rate.

LIEN: A security claim on property until a debt is satisfied.

LISTING CONTRACT: An agreement whereby an owner engages a real estate company for a specified period of time to sell property for which, upon the sale, the agent receives a commission.

MARKET VALUE: The price that is established by present economic conditions, location and general trends.

MARKET PRICE: The actual price at which a property is sold.

MORTGAGE: A security claim by a lender against property until the debt is paid.

MORTGAGE MULTIPLE LISTING SERVICE (MLS): A system that provides to its members detailed information about properties for sale.

ORGINATION FEE: An application fee for processing a proposed mortgage loan.

PITI: Principal, interest taxes and insurance, forming the basis for monthly mortgage payments.

POINT: One percent of the loan principal. Its charged in addition to interest and fees.

PREPAYMENT PENALTY: A fee paid by a borrower who pays off the loan before it is due.

PRINCIPLE: One of the parties to a contract; or the amount of money borrowed for which interest is charged.

PRORATE: Divide or assess proportionately.

PURCHASE & SALES AGREEMENT: See “Contact,” or refer to purchase and Sale agreement ‘ in this brochure.

SETTLEMENT: All financial transactions required to make the contract final. See “Settlement – Who Pays What” section in this brochure.

TITLE: A document that indicates ownership of a specific property.

TITLE SEARCH: Detailed examination of the entire document history of a property title to make sure there are no legal encumbrances.



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