

SELLERS' GUIDE

A Guide to Selling Your House

Selling the American Dream...



one home at a time!



• WHY USE A REALTOR®



When selling your home, your REALTOR® can give you up-to-date information on what is happening in the marketplace including price, financing and terms of competing properties. These are key factors in a successful sale of your property at the best price in the least amount of time.

Only real estate licensees who are members of the NATIONAL ASSOCIATION OF REALTORS® are properly called REALTORS®, REALTORS® subscribe to a strict code of ethics and are expected to maintain a higher level of knowledge of the process of buying and selling real estate. They are committed to treat all parties to a transaction honestly. REALTORS® business practices are monitored at local board levels. Arbitration and disciplinary systems are in place to address complaints from the public or other board members.

Your REALTOR® can help you objectively evaluate every buyer's proposal and then help write an appropriate legally binding sale agreement. Between the initial sales agreement and settlement, questions may arise. For example, unexpected repairs may be required to obtain financing or a problem with the title is discovered. Your REALTOR® is the best person to help you resolve those issues and move the transaction to settlement.

You can rely on Hurst Home Realty to represent you in a professional and competent manner. Our customers come first.

Thank you for considering our company to sell your house.

Warmest Regards,

Cyndi Hurst



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CA.DRE #01349037



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- **WHO PAYS THE REAL ESTATE COMMISSION?**

It's a little-known fact that in the United States the **BUYER** pays the real estate commission. Most people mistakenly think that sellers pay the commission because they write the check to the listing and selling brokers (through the title company).

However, if there were no real estate agents, prices of homes would drop by around six percent across the country. This is the value that agents add to the real estate transaction through their knowledge and experience. They also save both parties a great deal of time through their efforts and reduce liability by making sure each follows standard business practices and laws. In some parts of the country attorneys perform this service at a much higher cost.

The buyer actually pays for the brokers' valuable services because sellers increase the price of their homes by around six percent to cover the cost of the commission. Therefore, smart sellers hire the best agent available and pay the highest commission possible that will attract qualified buyers because they are actually spending the buyers' money.

- **WILL I BE SUCCESSFUL IN SELLING MY HOUSE?**

As you may have noticed, some houses that are on the market never sell. They are simply taken off the market or re-listed with another agent. Houses that do sell have the following characteristics in common:

- Seller with a definite motivation to sell.
- Seller with a definite deadline to sell.
- House that is in optimum showing condition.
- House that is priced to sell.
- Agent who knows how to target market.



- **MOTIVATION TO SELL**

Successful sellers have a definite motivation to sell. If you just want to "See if my house will sell" or to "See how much my house will sell for" you are wasting your time.

This kind of attitude will prevent you from considering offers from serious buyers or being creative in the marketing of the house. It will also keep you from pricing your house properly.

Motivations that successful sellers have include:

- Need a larger house.
- Need a smaller house.
- Moving out of the area.
- Divorce.
- Estate planning.

- **DEADLINE TO SELL**

Successful sellers have a definite deadline to sell. A deadline is "the soonest anything will ever get done".

Serious deadlines can include:

- Job transfer.
- Getting the kids into a new school district.
- Increasing tax deductions.
- Retirement.
- Divorce.
- Moving closer to family members
- Health reasons.



- **OPTIMUM SHOWING CONDITION**

To bring the highest price in the shortest amount of time the house must be in perfect showing condition. For instance, if the paint on the front door is peeling the buyer will wonder what else is wrong with the house that they can't see.

Please view the following page titled "Preparing Your Home" for a detailed checklist of ideas and suggestions to help you prepare your home for showing.

Some simple and inexpensive ways to maximize the showing condition are:

- Cut back large trees and plants.
- Paint interior walls a neutral, light color.
- Clean carpets that are soiled.
- Replace worn carpets or refinish floors (don't offer a "credit").
- Remove all throw rugs which can make rooms seem small.
- Store large pieces of furniture which make rooms looked cramped.
- Clean all windows to let more light in.
- Remove small items that can result in a cluttered appearance.
- Arrange furniture for optimum showing effect.
- Decorate the house from the buyer's perspective

When you choose me as your agent I will walk through the home with you to give you a list of specifically what you can do to optimize the showing condition of your house.





PRICING THE HOUSE TO SELL

Buyers will pay what other buyers are willing to pay for houses like yours and no more. With today's technology buyers have unprecedented access to information. I will provide you with a "Competitive Market Analysis" which will show you exactly how much a buyer paid in the past for comparable properties.

Do not set your price based on what you heard a neighbor got for their house. From the statistics you will find that most people do not "get their price" but to protect their egos will instead tell you they "got what they wanted". To assume they received the asking price will cause you to substantially overprice your property.

Beware of agents who try to "Buy Your Listing". In other words, agents who suggest your home is worth more than it actually is to get the listing then convince you to bring the price down later in order to get it sold. This tactic hurts you because by the time you eventually lower the price to a realistic level serious buyers have usually lost interest. If you decide to list with an agent who offers to market your house at a substantially higher price than I tell you its worth, do yourself a favor and stick to your price.

Again, buyers will pay what the house is worth and no more. It doesn't matter how high a price you place on your house. In fact, putting an artificially high price to "test the market" can actually result in a lower than market value for your property because if you lose the most valuable marketing period (the first 30 days) the only offers you are likely to receive are low ones.

If you want the highest possible price for your house advertise it at the price that it will sell at and make sure it is in optimum showing condition. If your price and "curb appeal" attract a lot of interest in your house it could cause a "bidding war". If not, at least it will sell at the highest price in the shortest amount of time.

No serious agent wants to "give away" your house at a bargain price because the higher price it sells for the more commission they will earn. However, you don't want to allow the property to sit on the market until it becomes "stale". If this happens, buyers will wonder "What is wrong with the house" or "Why hasn't it sold yet?" If you get any offers at this point the only offers you will get from these buyers are low offers. **If you want to get your house sold... price it right.** This way you will get the highest price and be able to move on with your life.



- **TARGET MARKETING**

In a normal real estate market there are only two or three serious, qualified potential buyers for any house. A good real estate professional can help you develop a marketing plan that will help you target those specific buyers. This brings you the highest prices in the shortest amount of time.

For example, if you are selling a condominium there are specific ways to reach potential buyers for this property. Exclusive health clubs, high-end apartment buildings and other places frequented by young professionals may be appropriate places to locate this kind of buyer.

If you own an upper-end property there is a totally different buyer for your house than a condominium. Buyers for your property may be found at private golf clubs, tennis clubs or riding academies in your area.

The professional agent who provided you with this Guide will give you a specific plan to reach your buyers. This will maximize the price you receive and minimize your marketing time and hassles.

- **PUTTING A SIGN ON THE HOUSE**



A "For Sale" sign lets everyone in the neighborhood know that your house is on the market. Some sellers are reluctant to let neighbors know their house is for sale. However, without a For Sale sign just imagine what neighbors think when strangers go in and out at all hours!

Some of the most likely buyers are friends or relatives of your neighbors. Haven't you ever had someone say to you, "If a house ever comes on the market in this area please let me know."

The lack of a For Sale sign can substantially reduce the ultimate selling price of your house and lengthen the marketing time necessary to sell it.



- **PUTTING A LOCK BOX ON THE PROPERTY**

A Realtor "Lock Box" makes it easier for agents to see your house. The easier it is to view a property the more likely it is to sell. Many agents will not bother to show a house that does not have a Lock Box.

The lack of a Lock Box can substantially reduce the ultimate selling price of your house and lengthen the marketing time necessary to sell it.

- **HELPING YOUR HOUSE TO LOOK ITS BEST**

You will get the most money for your house if it shows well both outside and inside. This is known as "staging" and is a real art. After listing your house your agent will give you a detailed list of exactly how to make it look its best but here are some basic ideas:

Outside the house:

- Paint the outside, if the paint is faded or worn.
- Trim trees and bushes back.
- Mow the lawn.
- Keep plants, lawn and bushes watered.
- Sweep walks and patios of debris.
- Wash windows and skylights.

Inside the house:

- Remove large pieces of furniture.
- Paint dark walls a light, neutral color.
- Add small plants to add color.
- Rearrange furniture to make rooms seem larger.
- Put away children's toys.
- Steam clean dirty carpets.
- Replace worn carpets.



- **FIX IT**

Just a word of caution here... Many sellers don't want to fix-up or replace items in the house and instead, offer a credit to the buyer. The problem is that buyers will assume that things cost more to fix or replace than they actually do. For instance, if you offer a \$1,500 credit for new carpet the buyer will find a price for the very best carpet and padding available so instead of accepting your credit, they will deduct \$5,000 from the value of your house. Consider installing an inexpensive, neutral color carpet and save yourself \$3,500!

Be sure to put away small items, collectibles and all medications. Anything that a child (or anyone) could pick up and put into their pockets should be stored. It will also make rooms look larger if curios are put away.

- **SHOWING YOUR HOUSE**

"Three's a crowd!" Too many people at an open house or during inspections will keep prospects from feeling free to look around your house. The only person who should be present when buyers are looking at the house is your agent and their agent (if they have one).

Keep pets out of the house during showings so that prospective buyers will feel comfortable to wander throughout the entire property. Your agent will help to minimize your pet's discomfort and maximize the house's showing potential.

Please do not discuss price, terms or any other issues with prospects. These are material facts that, by law, must be put in writing before they have any effect.

On the following page are some suggestions to follow when an appointment is made. Please review them so that you will be prepared when a potential buyer makes an appointment.

Remember, your home has just one chance to make a great impression with each potential buyer!



• CHOOSING YOUR AGENT

Very few house sellers know how to interview a real estate agent. Some of the questions to ask your real estate professional include:

- Who specifically are the buyers for this property?
- Exactly how will you reach them?
- What makes you special as an agent?
- Specifically how can I make my house more attractive to buyers?
- What guarantee do you offer that I will be satisfied with your services?
- What is your marketing plan to get my house sold?



Remember, don't list with the agent who suggests the highest listing price for your house unless they can back up that price with comparable properties that have sold recently. If you let an agent "buy your listing" you will lose time and probably end-up selling for less than if the house had been priced properly in the first place.

If some of the agents who look at your house refuse to give you a probable selling price be very wary. They may be trying to see what price you have in mind and will simply list it for that figure whether or not the market justifies the price. Again, these agents are simply trying to "buy your listing" and will ask you to lower the price in a very short amount of time.



EXCLUSIVE MARKETING SERVICES

Hurst Home Realty is a hands on company. We believe in giving our clients quality and exceptional service. We never “leave you hanging”. We are with you through every step of the transaction. We design each marketing piece to fit the individual client and their needs. The following is **just a sample** of some of the marketing items Hurst Home Realty provides. Each marketing profile is developed based on the needs of the client. **Not all items will be included or applicable in your situation or your listing.**

Since approximately 94% of Buyers first search the internet before contacting an agent, we at Hurst Home Realty believe it is essential to provide our Listing Clients with a wide range of internet advertising. Below are **some** of the internet sites that Hurst Home Realty advertises with. We also believe in providing each property listing with a virtual tour. We stay in constant touch with each Seller.

➤ Internet Ads:

- Multiple Listing Service
- www.Realtor.com (Showcase)
- www.Zillow.com
- <http://classifieds.Yahoo.com>
- www.Googlebase.com
- www.oodle.com
- www.trulia.com
- www.SacBee.com
- www.Craigslist.com
- <http://sellit.mercurynews.com>
- www.msn.com (and AOL)
- www.postyourproperty.com
- Facebook
- **Designed for your needs!**

➤ Sources of Advertising

- Flyers and Newsletter
- Just Listed Postcards
- Just Sold Postcards
- Open House Mailers
- Internet Newspapers (as applicable, for each property listing & location)
- Association Marketing
- Broker Tour / Agent Tour
- Public Open House
- E-mail Campaigns

Not all items will be included or applicable in your situation or the listing of your home.



EXCLUSIVE MARKETING SERVICES

We do over 100 activities to get your house sold faster and at a higher price. To earn my commission some of things I do on your behalf include: **Not all items will be included or applicable in your situation.**

- 1) Order a complete property profile of your house.
- 2) Review the property profile for accuracy.
- 3) Perform a complete “Competitive Market Analysis” of your house.
- 4) Calculate how long it will take your property to sell.
- 5) Determine the effect of similar properties on the market.
- 6) Help develop a pricing strategy for your property.
- 7) Compute an estimation of your proceeds from the sale.
- 8) Provide you with information on how to prepare your property for sale.
- 9) Tour your property from the “Buyer’s Standpoint”.
- 10) Conduct a complete “staging” analysis of your house.
- 11) Provide written instructions on how to stage your house for maximum effect.
- 12) Review the interior of the house to maximize attractiveness.
- 13) Assist you in locating suitable storage for large pieces of furniture.
- 14) Review the exterior of the house to maximize “curb appeal”.
- 15) Assist you in making the exterior as attractive as possible.
- 16) Take photographs of your property for use in marketing materials.



- 17) Develop "Just Listed" postcards.
- 18) Place your property for sale on the Internet.
- 19) Feature property as "Showcase Listing" on Point2Homes.
- 20) Feature property as "Feature of the Month" on company website.
- 21) Explain the advantages of seller carry-back financing (check with your tax accountant or attorney)
- 22) Explain the disadvantages of seller carry-back financing (check with your tax accountant or attorney).
- 23) Review the status of any encumbrances against the property.
- 24) Review the significance of any easements affecting the property.
- 25) Conduct a thorough and diligent visual inspection of the property.
- 26) Review the state of any property tax liens against the property.
- 27) Obtain architectural drawings and permits relative to the property (if applicable).
- 28) Assist in determining the square footage of the house.
- 29) Develop an attractive descriptive of the house for marketing.
- 30) Place house description into the Multiple Listing Service.
- 31) Explain real estate Agency duties and liabilities.
- 32) Review required flood disclosures, as required.
- 33) Review required seismic disclosures, as required.
- 34) Review required Mello Roos disclosures, as required.
- 35) Review the environmental Hazards Disclosures requirement.



- 36) Review the federal Foreign Investment in Real Property Tax Act.
- 37) Review the state Foreign Investment in Real Property Tax Act.
- 38) Review the Smoke Detector Compliance requirement.
- 39) Review any swimming pool safety ordinances and laws, as appropriate.
- 40) Review Competitive Market Analysis with seller.
- 41) Explain how commissions are split between Listing and Selling Brokers.
- 42) Explain to seller how much the agents earn on the sale of the property.
- 43) Show seller how commission splits affect how often a house is shown.
- 44) Review the Broker Employment Agreement with the seller.
- 45) Explain my "Marketing Guarantee" to the seller.
- 46) Sign "Marketing Guarantee" with the seller.
- 47) Review advantages of using a real estate lock box on the property.
- 48) Review disadvantages of using a real estate lock box on the property.
- 49) Review the benefits of placing a real estate sign on the property.
- 50) Arrange for pest control inspection of the property.
- 51) Arrange for contractor's inspection on the property (if applicable).
- 52) Arrange for roof report on the property (if applicable).
- 53) Arrange for septic tank inspection, as necessary.
- 54) Arrange for county inspection, as necessary.
- 55) Arrange for well water inspection, as necessary.
- 56) Arrange for asbestos analysis, as necessary.



- 57) Arrange for smoke detector inspection, as necessary.
- 58) Arrange for energy conservation inspection, as necessary.
- 59) Arrange for soils inspection, as necessary.
- 60) Assist seller in correcting anything significant revealed in inspections.
- 61) Provide Transfer Disclosure Statement to the seller (to be filled out by the seller).
- 62) Complete listing agent's portion of Disclosure Statement.
- 63) Provide Transfer Disclosure Statement to buyers.
- 64) Place a professional "For Sale" sign on the property, as authorized.
- 65) Place appropriate riders on For Sale sign.
- 66) Design and place brochure box on For Sale sign.
- 67) Keep brochure box filled with flyers.
- 68) Place lock box on property, as authorized.
- 69) Directly contact agents with qualified buyers about the property.
- 70) Respond to agent questions about the property.
- 71) Respond to buyer questions about the property.
- 72) Design attractive color flyers for the property.
- 73) Design and place flyers in flyer stand inside the property.
- 74) Order an academic report on local schools.
- 75) Prepare sheets for potential buyers showing financing options.
- 76) Prepare an Open House Guest Register.
- 77) Develop an Open House schedule with owner or tenants.



- 78) Assist homeowner in preparation of the property for showing.
- 79) Conduct telephone calls to target market, as necessary.
- 80) Develop a profile of the most likely buyers for the property (if applicable).
- 81) Design and update marketing program, as necessary.
- 82) Stay in close contact with the seller about the status of the marketing.
- 83) Design and write advertising copy for various media.
- 84) Design and place ads in various media.
- 85) Print color flyers.
- 86) Provide clear flyer display stand for inside the house.
- 87) For vacant properties suggest the use of appropriate rental furniture.
- 88) Show owner how to obtain copies of building permits.
- 89) Order copies of Covenants, Conditions and Restrictions, as appropriate.
- 90) Place appropriate information into Multiple Listing System.
- 91) Order professional photo and virtual tour of the property to be take for the MLS.
- 92) Conduct door-knocking campaign in neighborhood, as appropriate.
- 93) Send Just Listed postcards to neighbors.
- 94) Follow-up with agents who show the property.
- 95) Meet potential buyers to show them the property.
- 96) Follow-up with potential buyers from open house contacts.
- 97) Canvass centers of influence to locate potential buyers.



- 98) Develop a program to attract agents to “Broker’s Open” tour.
- 99) Obtain other real estate agent’s opinions of the pricing of the property.
- 100) Obtain other real estate agent’s opinions of the stage of the property.
- 101) Provide a weekly status report to seller by phone or fax.
- 102) Review local news sources for changes in the neighborhood.
- 103) Place “Open House” advertisements, as appropriate.
- 104) Strategically place Open House signs to attract buyers.
- 105) Hold property open for potential buyers.
- 106) Provide refreshments for Open House guest.
- 107) Make sure every visitor signs the Open House Guest List.
- 108) Review results of the Open House with seller.
- 109) Pre-qualify or pre-approve all potential buyers before offers are made (if applicable).
- 110) Periodically review progress of the marketing program with seller.
- 111) Send “Thank you” notes to agents who show the property.
- 112) Periodically update MLS information.
- 113) Assist seller in complying with Fair Housing Laws.
- 114) Assist seller in complying with Fair Lending Laws.
- 115) View all competing houses for sale.
- 116) Coordinate presentation of offer to purchase the house.
- 117) Negotiate with Buyer’s Agent and Buyer on your behalf.



- 118) Write Counter-Offers, as necessary.
- 119) Make sure all contingencies are completed on time.
- 120) Make sure all inspections are completed within proper time period.
- 121) Coordinate all documents to Buyer's agent and Escrow as needed.
- 122) Take care of all transaction paperwork.
- 123) Deliver deposit check to escrow.
- 124) Make sure escrow is properly opened.
- 125) Make sure purchase deposit is properly credited to seller.
- 126) Make sure that any encumbrances are paid off at close of escrow.
- 127) Make sure seller is provided with correct amount at close of escrow.
- 128) Other miscellaneous activities, too numerous to mention.**

Hurst Home Realty is a hands-on company. We believe in giving our clients quality, exceptional service. We never "leave you hanging". We are with you through every step of the transaction. Hurst Home Realty strongly believes in personal service to each client. We never "hand you off" to someone else.



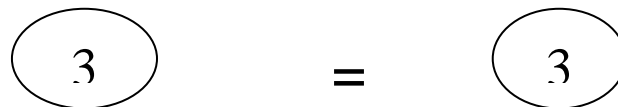


- **HOW AN AGENT EARNS HIS OR HER INCOME**

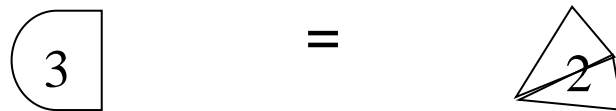
Most people think real estate agents earn an outrageous amount of money for the work they do. Now that you've seen the list of over 100 plus things an agent does to get your house sold, you can understand that it is a very complex process.

Let's look at where the commission goes on the sale of a home

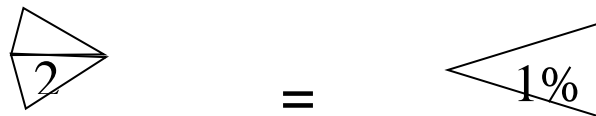
A hypothetical commission of 6.0% (remember that commissions are negotiable between the listing broker and the seller) the agent/broker who represents the buyer usually gets half (3.0%), leaving the listing agent with 3.0% of the listing.



Of the 3.0% left to the listing broker, the broker gets around 1/3 for rent, utilities, insurance and other fees leaving the listing broker with 2.0%.



Of the 2.0% left to the listing agent, there are real estate expenses that must be paid to earn that income. These costs take about 1/3 of the commission leaving the agent with only 1.0% to pay for their personal living expenses.



Real Estate expense include, automobile, gasoline, auto insurance, professional board fees, MLS fees, advertising, signage, lock boxes, forms, equipment, internet services, liability insurance, repairs, postage, printing, copying, referral fees to other agents, mobile phone, business phone and fax lines, entertainment and let's not forget taxes.

Of the 1.0% left to pay taxes more than half goes to taxes (35.0% federal + 10.0% state (where applicable) + 15.3% self-employment tax) leaving most agents with less than 0.5% of the sales price of a house to pay personal living expenses such as food, clothing, housing, and education for children.



- **ESTIMATED NET PROCEEDS FROM SALE**

The most important thing you want to know from your agent is not how much the house will sell for ***but how much you will have after paying all expenses.*** Your agent will assist you in completing the Seller's Estimated Proceeds form.

- **INSPECTIONS FOR YOUR HOUSE**

Your house should be professionally inspected before you actively place it on the market. This way you will know if any repairs will be necessary prior to close of escrow. This can save you time and money in the marketing of your property.

Some inspections your agent should discuss with you include:

- Contractor's inspection (If applicable)
- Pest Control inspection
- Roof report
- Septic inspection (if applicable)
- Well inspection (if applicable)
- Environmental Hazards report
- Earthquake report
- Soils report
- Pool and Spa (if applicable)
- Others (as applicable)

Inspecting your house first will cost you money up-front but will usually save you much more money in the long-run. For instance, if a buyer has the house inspected and finds that repairs are needed they may cancel their Purchase Agreement. Several weeks have probably passed by this time since the house was placed on the market and most interested buyers have moved on to other properties. As with the overpriced house, now it has become "stale" on the market and the only offers you will probably receive will be low ones.

Also, by discovering that work is needed on the property early it allows you the luxury of shopping for contractors and other professionals to do the work at the best price. You, the homeowner, may even be able to do some or all of the repair work yourself saving more money.



Finally, by having the property inspected and disclosing these reports before a buyer makes their offer it reduces the chance of buyers' remorse. If the buyer discovers problems after the Purchase Agreement has been signed it creates an atmosphere of mistrust between buyer and seller.

The buyer may be willing to reimburse all or some of the inspections since it benefits them in the purchase of the house. At any rate, conducting your inspections before actively marketing the property is a very worthwhile investment for a serious seller.

Inspections and potential repairs are the number one reason sales don't close. Typically, buyers have a certain number of days in which to inspect the property and accept or reject the property based upon these mechanical and structural inspections.

SELLER
SEES THEIR HOUSE



BUYER
SEES YOUR HOUSE



INSPECTOR
SEES THE HOUSE



Save Yourself Time, Money and Disappointment
Do Deferred Maintenance Now!



• SHOULD YOU SELL YOUR OWN HOUSE?

Some people think they can save money by selling their house themselves. It's a little-known fact that only 12% of "For-Sale-By-Owners" are actually successful in selling their houses. Of this group, over half end-up in court following the close of escrow. The other 88% either list their properties with a real estate professional or remove it from the market after losing money and a lot of time.

Selling a house is a very complex process as you can see from the list of things an agent does to sell your property. Even attorneys who are used to contracts and legal matters usually list their properties with a real estate agent.

The commission you pay a real estate agent to sell your house is usually deductible from the proceeds (consult your financial and/or tax advisor for the exact effect on your situation). The precious time you spend on selling your own property is not deductible.

However, if you want to sell your property you should have the following characteristics to successfully sell your own house:

- Knowledge of contract law.
- Ability to negotiate with adverse parties.
- Knowledge of marketing and advertising.
- Available to show your property whenever buyers desire.
- Financial background to help buyers qualify for a loan.
- Extremely attentive to small details.

Even if you offer a commission to an agent who brings a buyer some agents won't work with a FSBO because they know they will have to do the work done by the listing agent in addition to their own. It's usually easier to find another property where a listing agent represents the seller.

Keep in mind that because you have less ability to market your property you will have less access to buyers. This can result in a lower net sales prices than if you had used the services of a real estate professional.

If you are seriously considering selling your own house be sure to use a "For-Sale-By-Owner Guide".



- **DISCLOSURE**

Don't hide problems or flaws in your house or they could come back to haunt you. Tell your agent all about the property - both good and bad.

The law says you must disclose everything you know about the property and the buyer then purchases it knowingly. You will have to complete a "Transfer Disclosure Statement" for the buyer.

- **LEGAL AND INCOME TAX CONSEQUENCES**

The sale of any real property can have serious legal and income tax consequences. The 1997 Tax Act provides that for a principal residence sold after May 6, 1997 a taxpayer can exclude gain up to \$250,000 if you are single or married filing a separate tax return and up to \$500,000 for couples filing a joint return.

To qualify for this exclusion you must have owned your residence for at least two of the last five years before the sale. You must have also occupied the house as your principal residence for two out of the last five years. These two year periods do not have to be the most recent two years nor do they have to be consecutive.

It may also be possible to defer the gain on the sale of investment property under Internal Revenue Code Section 1031. To obtain any of these benefits you must usually plan well in advance of the sale of your property.

You should contact an appropriate tax, accounting, legal or real estate professional for the exact effect on your specific situation.





- **"SHORT SALES"**

Throughout the history of real estate in the United States there have been periods during which the market has been extremely slow. During such times the fair market value of a house may be less than the loans owed against it. This is known as being "upside-down" in the property.

Some owners think the only way to cut their losses is to walk away from the house by giving the lender a "Deed in Lieu of Foreclosure". This can have adverse tax consequences leading to a situation known as "Phantom Income" in which you owe tax on the lender's forgiveness of your debts. It may also adversely affect your credit rating. In addition, your lender does not have to accept the Deed in Lieu. Please consult your own tax advisor and/or attorney for the exact effect on your particular situation.

The first person to contact if you find yourself upside-down in your house is a knowledgeable real estate professional who can provide you with guidance, and work with your lender. He or she can discuss the possibility of a "Short Sale" and other options. A Short Sale is where the lender takes less than they are owed thus preserving your credit rating. Please consult your own tax advisor and/or attorney for the exact effect on your particular situation.

Why would a lender take less than they are owed? There are many legitimate reasons why a lender would cooperate with a Short Sale.

1. Banks are not in the business of owning real estate.
2. A Short Sale could cost less than repossessing a property.
3. Repairs could be needed after repossession.
4. Loss of mortgage payments could compound loss.

There are other options for upside-down properties including lease-options and loan assumptions. A buyer might be willing to pay more than a property is worth if they can purchase with little or no money down. Also, a lender may prefer allowing your loan be assumed by a qualified buyer rather than having to go through a long and costly repossession process. Talk to your agent about your options.



- **BEFORE YOU LEAVE YOUR PRESENT HOUSE**

You must prepare now for your move:

1. Have your refrigerator and other appliances serviced for the trip.
2. Lock your computer hard drive before moving it.
3. Notify your current utility companies and others that you will be leaving including:
 - Garbage service
 - Gas Company
 - Electric company
 - Telephone Company
 - Water Company
 - Newspaper delivery
 - Charge accounts
4. Send your forwarding address to your local post office.
5. Send change of address cards to magazines, insurance companies, book clubs, friends and stores.
6. Keep all prescriptions, eyeglasses and bank accounts in your possession at the time of the move.

At your new address be sure to:

1. Notify utility companies.
2. Check stove and water heater pilot lights.
3. Notify the Department of Motor Vehicles of your new address.
4. Register your car if you move to a new state.
5. Register children in school.
6. Notify post office



- **HELPING CHILDREN COPE WITH A MOVE**

Moving can be a very traumatic experience for children. Everything that has been familiar to them, possibly for their entire lives, will change.

Be sure to talk with your children about the move before the "For Sale" sign goes up. Explain the reasons for the move and what the new home will be like in terms they can understand.

Always explain the relocation in positive terms... as an adventure. Tell your children how they can contribute to the success of the move. If possible, have them take responsibility for packing their own possessions and relocating them to the new home.

Encourage your children to express their feelings about the move. Try to keep your attitude positive, even if the children's attitudes are negative.

Some sellers think the best time to relocate school-age children is during the summer after school has ended. This places children in unfamiliar surroundings at a time when opportunities to make friends are at a minimum. When school opens, the child will be a stranger in a new school.

Sell your house whenever it is best for you. Your real estate agent will be able to offer suggestions to minimize the stress of a move on your family.

After you have signed the Listing Contract, Hurst Home Realty will provide you with a helpful guide for moving and a packing checklist. So, please remind me!



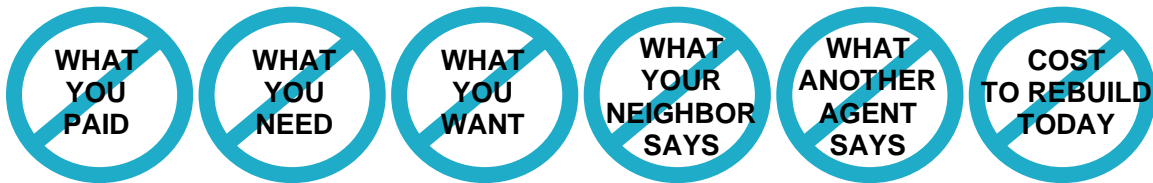


- **PREPARING FOR THE OFFER**

In slow economic times, offers to purchase routinely come in low whereas in healthy economic times, offers are closer to the asking price. **Do not be offended by any offer received. Be offended by buyers who tour your property and don't submit an offer.**

- **PRICING MISCONCEPTIONS**

It is very important to price your property at competitive market value at the signing of the listing agreement. Historically, your first offer is usually your best offer.



Buyers & Sellers Determine Value

The value of your property is determined by what a **BUYER** is willing to pay and a **SELLER** is willing to accept in today's market. Buyers make their pricing decision based on comparing your property to other property **SOLD** in your area.



- **HOME WARRANTY**

Home warranty plans go a long way to alleviate some risks and concerns. For a modest price, the seller can provide to the buyer a one year warranty covering specified heating, plumbing, electrical, water heater or appliance breakdowns. Coverage under most plans commences at closing. In all cases, there are important limitations and exclusions (example: appliances/systems must be operative at commencement of coverage).





● WHAT YOU DO & DON'T CONTROL

Seller Controls:

- **Property Condition**
- **Availability for Showing**
- **Price**
- **Home Warranty**

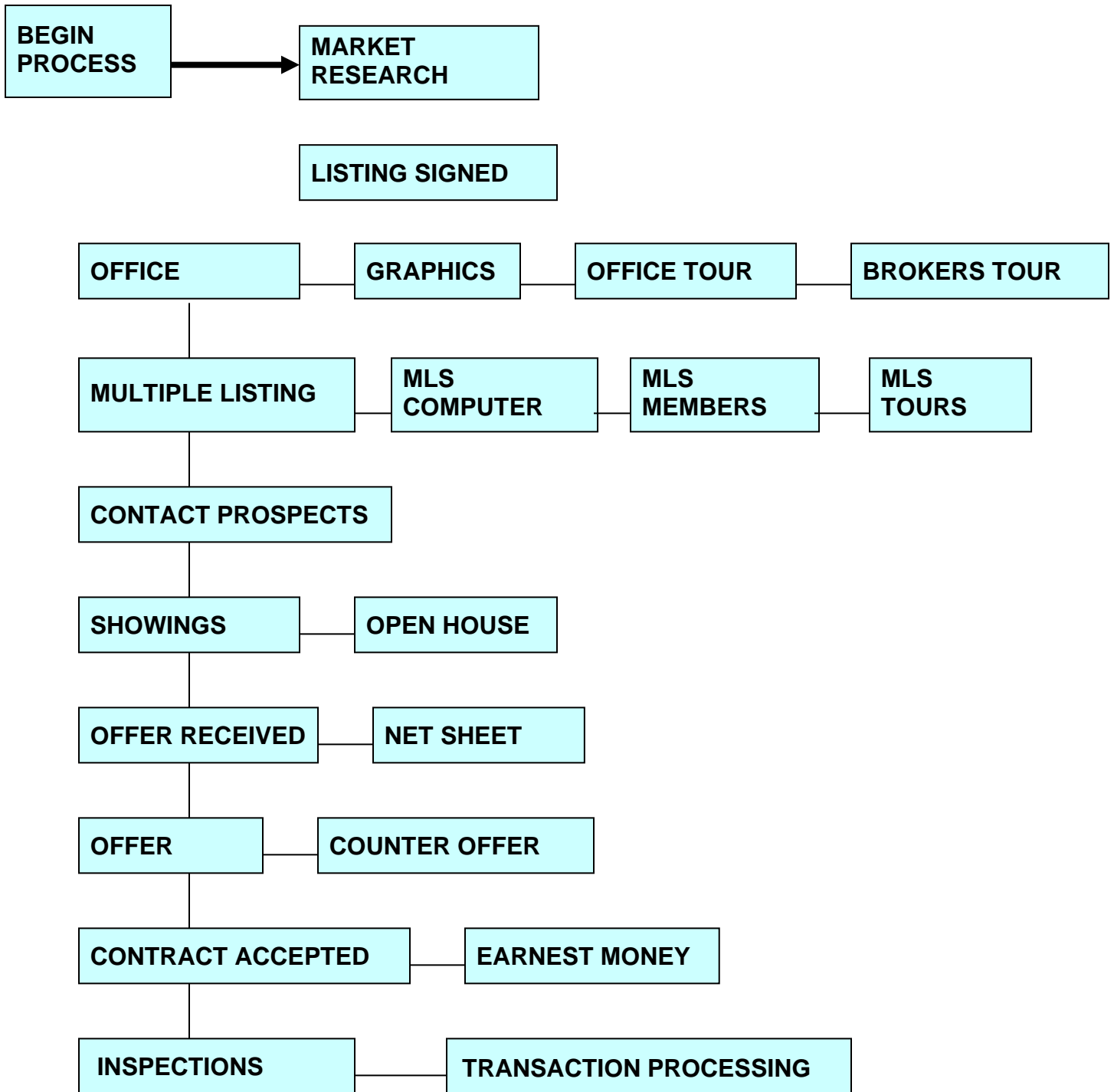
Seller Doesn't Control:

- **Competition**
- **Buyer's or Seller's Market**
- **Interest Rates**
- **When The Perfect Buyer Walks Thru The Door**



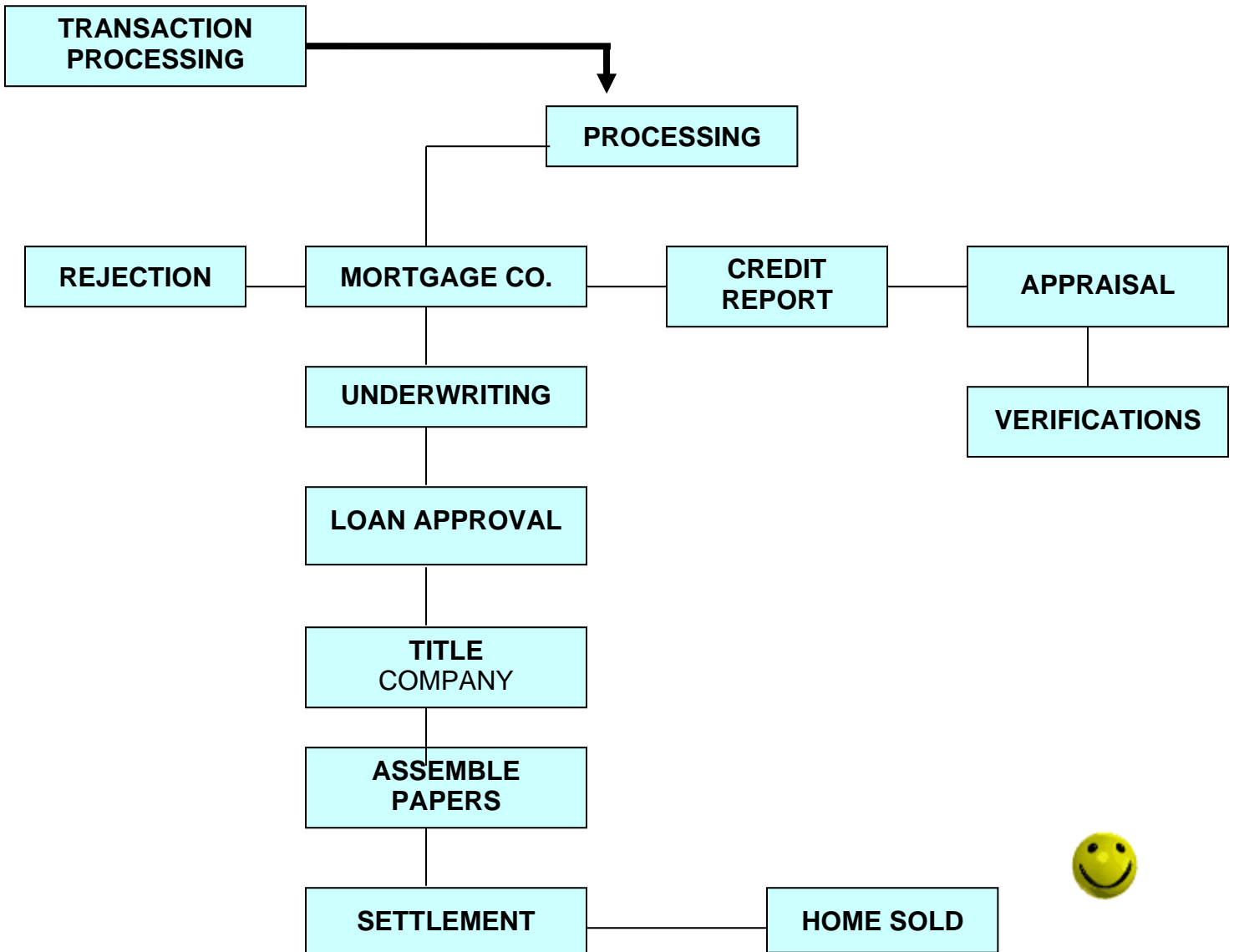


• **HOME SELLING PROCESS**





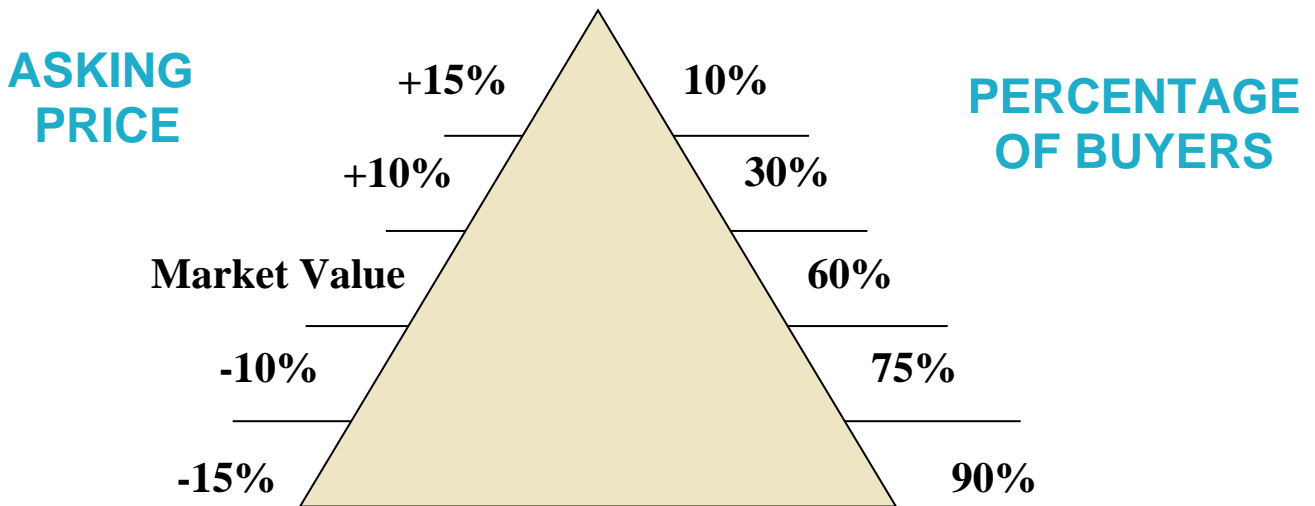
- **CONTRACT TO CLOSE**





• Pricing Factors:

IMPORTANCE OF INTELLIGENT PRICING

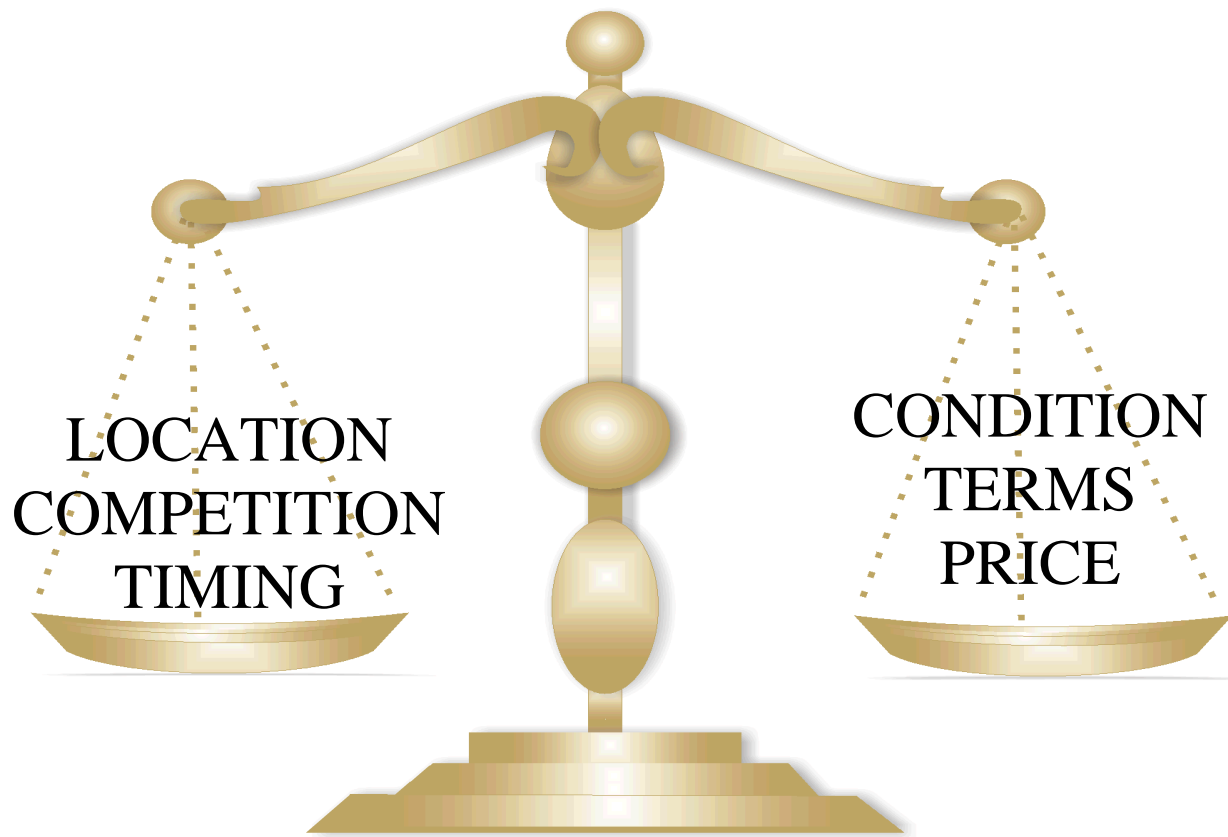


As the triangle graph illustrates, more buyers purchase their properties at market value than above market value. If you price your property at market value, you are exposing it to a much greater percentage of prospective buyers and you are increasing your opportunity for a sale.

Another critical factor to keep in mind when pricing your home is timing. A property attracts the most attention, excitement and interest from the real estate community and potential buyers when it is first listed on the market. Improper pricing at the initial listing misses out on this peak interest period and may result in your property languishing on the market. This may lead to a below market value sale price, or, even worse, no sale at all. Therefore, your home has the highest chance for a fruitful sale when it is new on the market and the price is reasonably established.



Focusing On Results



SOLD