

Part 2. THE BAD: The Work YOU Have To Do. (Single Family Homes)

Grab a pad and a pen and create a To Do list of all the items you feel you need to take care of in each of the following categories. It is best to take one blank page for each category and title it at the top, or you can print as many pages of our blank To Do list and write the category and sub-category on each page. Checkmark each item as you complete its To Do list.

Warning and Disclaimer: Do not attempt to perform any of the following items of repair, cleaning or improvements if you have no experience doing them. We recommend consulting, hiring and paying professionals instead of risking injury, death or property damage if things go wrong.

PHASE 1/ HOME PREPARATION WORK

The most important phase because it will help you maximize the price you will get!

Outside – Yard. Curb appeal is a crucial marketing element of selling your home.

Make a list of things to do to make your yard visually appealing. This may include:

- Fixing the fence, painting it, and pressure washing it.
- Pressure washing the driveway and sidewalk.
- Trimming hedges and overgrown trees. Raking any dead leaves, branches...
- Cleaning pet waste every day, especially before showings...
- Getting rid of any junk and clutter in the yard.
- Removing weeds, adding some decorative plants and adding decorative mulch.
- Re-sodding or replacing dead grass.
- Fixing the sprinkler system or making sure you water as needed.

Outside – Home. Still part of your curb appeal. Your home should look good from the outside. Common things to do may include:

- Pressure washing the roof, cleaning the gutters, and repairing what's needed.
- Pressure cleaning the outside of the home, cleaning windows...
- Re-painting the outside. You may want to stay away from odd or flashy colors that may turn off potential buyers. Most home improvements and paint stores have guides with pictures of different exterior color combinations.
- Removing anything attached to the home that may be unappealing or offensive.

Outside – Special features.

- Pool. Make sure the pool and surrounding deck are clean and safe for visitors. Remove clutter and tripping hazards. Remove rusted, broken and unappealing outdoor furniture. Green moldy pools are never appealing.
- Shed. Clean around and repair any damage. De-clutter and organize inside.
- Playground/Play sets. Clean, repair and paint/stain where needed.
- Boat docks. De-clutter, clean, repair and paint/stain as needed.

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Inside the home. The following items will make a better first impression on buyers by improving the way the home flows and feels. We recommend that you pay a few hundred dollars for a consultation with a local decorator or home stager. The benefits are well worth it. We recommend making a To Do list for each room so you do not forget anything and keep the process simple.

Inside the Home / Repairs. Address any of the following items of repairs for all rooms in your home:

- Cracks and holes in the walls, peeling/faded paint or wall paper, unappealing paint colors (black, fluorescent, outdated wall paper...), and any stains or damage to walls or ceilings. Dark paint colors usually make a room look smaller.
- Repair as needed any broken blinds and cracked windows. Repair or replace broken or missing door handles and locks. Repair and paint any damage to doors.
- Clean and lubricate the tracks of any sliding doors and lubricate squeaky hinges.
- Repair and replace damaged or non-functioning light fixtures, fans, switches and outlets and their cover plates. Hire an electrician or handyman to do this. Replace all burnt out light bulbs.
- Repair and paint any damaged baseboards.

Inside the Home / De-Clutter. You may need to rent a storage for the items you cannot part with or hold a garage sale or donate items or throw away the worthless stuff. Remove any clutter that may include boxes, excess or bulky furniture that may be in the way of visitors or that make the rooms look smaller. Simple is better. Remove old mail, excess knick-knacks and any items that may be offensive. Your goal is to sell and move, so get a head start and make your move easier by getting rid of the useless stuff accumulated over the years and the stuff you will not need or want in your next place.

Inside the Home / Decoration. You want the buyers to stay focused on the home not on your personal life and choices.

- Keep in mind that not everybody likes dead animals/hunting trophies, naked/sexual art (children might be present) or weapons.
- Items flaunting your religion, political affiliations and sexual orientation may become a distraction to potential buyers or worse, turn them off.
- Your personal photos will naturally attract the attention of visitors away from the home. Let's not distract them from the home!
- Address any window coverings that may be out of style, unattractive or that darken a room.

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Inside the Home / Kitchen. The kitchen is one of the most important rooms in a home and requires special attention.

- Clear up counter tops. Small appliances, clutter and accumulated old mail and magazines will hide any beautiful quartz or granite counters and make the kitchen look like it does not have enough counter space.
- Address any broken, rusted or damaged appliances.
- Clean up the inside and outside of your range, oven, stove, refrigerator, dishwasher, microwave...
- Clean up your trash container, sink, faucet, counters, and cabinets.
- Repair any leaky faucet, broken cabinet hinges, and obvious damage.

Inside the Home / Bathrooms. Bathrooms are very important and can turn off potential buyers if they do not look and smell clean.

- Repair anything broken or leaking.
- Clean up toilet bowls, sinks, tubs and showers. Use a mold/mildew cleaner to remove unsightly stains on grout. (Follow all safety instructions for the product).
- Clean mirrors, windows, walls, floors, and any glass doors.
- Replace any smelly, moldy or unattractive curtains.
- Plush floor mats by the sink, shower and toilet are unsightly, unsanitary, and a source of smell. Discard or replace with new ones.

Inside the Home / Pets. Remember that not everybody likes pets, some people have allergies, and most people will be turned off by bad smells.

- Repair and paint any areas damaged by pets such as scratched door bottoms, walls, and baseboards.
- Clean and deodorize any areas where pets may have had smelly accidents.
- Throw away and replace any dirty, smelly or unattractive pet beds and furniture.
- If you have cats, clean the litter box in and out or replace it, and use a litter powder that neutralizes odors.
- Minimize the number of toys lying around and replace/get rid of chewed up and disgusting toys.

Inside the Home / The Garage. The primary use for a garage is to park the car(s). Whether you are in a hot or cold climate it is a big selling feature. Therefore, empty it of all of the junk, organize it and clean it, so it looks usable. Make sure any lights and automatic doors work properly.

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Now that you took care of the home preparation work, let's move on to the second short Phase 2. Note that you may get guidance for this Phase from the Flat Fee Broker you will select in the next Phase 3. So you might ask the Flat Fee Broker these questions.

PHASE 2/ PAPERWORK & CLOSING AGENT

Each State may have different requirements as far as the disclosures and contract documents required and your State may impose certain requirements as to who can prepare certain documents and close real estate transactions.

Paperwork – Determine Who can be the Closing Agent. In some States only attorneys can close real estate transactions. In most States the parties to a transaction can prepare real estate contracts and documents. In most States there are mandated disclosures that sellers must provide to buyers. Some of these disclosures carry penalties such as the right of the buyer to cancel the contract during a specific review time or if the seller fails to provide these disclosures.

It is best to consult with a local real estate attorney or title company to find out if your State requires the use of an attorney to close or if you can use a title company (usually less expensive than an attorney)

Paperwork – Select a Closing Agent. It is advisable to be prepared ahead of time and select your closing agent whether it be a title company or an attorney. Call several of them and inquire about how much they will charge and what services they will provide you. Ask if they will provide you with all required disclosure forms ahead of time and free of charge. Once you compare the closing agents fees, services and terms; select one.

Paperwork – Obtain Any Required Disclosures. Once you have selected a closing agent obtain any disclosure forms you need to fill out and gather all required additional documents.

For example, in the State of Florida home owners are required to provide the buyer with a "Seller's Property Disclosure" in which the seller must disclose any defects, violations, or facts that they know of, that may negatively affect the property. In addition, if the property is located in a homeowners' association, the seller must provide a disclosure along with the financials and legal documents of the governing

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association to the buyer. The buyer has a certain number of days to review and may cancel the contract during this legal review period if they are not satisfied.

Paperwork – Fill Out All Required Disclosures in Advance. Be proactive and have any disclosures prepared in advance. Whenever possible, it is better to deal with a buyer who has reviewed and accepted the disclosures preferably before a contract is signed. Why face the risk of a buyer canceling later on in the process because of the disclosures?

Paperwork – Gather All Required Documents. Your closing agent should be able to provide you with a list of all documents required for your closing. These may include survey, title insurance, original deed, leases... It is best you start locating them and gathering them early on in the process.

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Now that you took care of the home preparation work, closing agent selection, and initial paperwork; let's address the second most crucial phase of the FSBO work. Phase 3 consists of the most important tasks that a competent professional agent would typically complete to market and attract the ultimate buyer for your home.

PHASE 3/ MARKETING & SHOWING YOUR HOME

If you interviewed several real estate agents you may have noticed that their marketing plan ranged from:

1/ The "Bare Bone" marketing plan: take pictures of your property with their phone or camera and input it in the local MLS (Multiple Listing Service). Most MLS will automatically feed your property listing to hundreds of consumer real estate websites including the most popular: Zillow®, Trulia®, Homes.com®, and Realtor.com®. These agents' strategy is based on the premise that since most sales involve another agent bringing a buyer, all they have to do now is cross their fingers and pray for that to happen, and hopefully before their listing agreement expires. Some of these agents will convince you to place a lockbox for easy access and showings. In most markets you can get this service for under \$200. So why pay any commission to a lazy listing agent?

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2/ The "Rolls Royce®" marketing plan. This will include a professional photo-video tour package, a professionally designed brochure, a custom website, accompanied showings, an online marketing plan, buyers' agents campaigns, open houses, pro-active follow up after showings... The more expensive the home, the higher the sellers' expectations will be. Agents who provide this level of service typically deal with high end properties where sellers are used to and prefer paying fees to professionals to take care of whatever needs they have. These sellers are ok with the real estate agents involved in the sale of their home sharing a commission in the hundreds of thousands of dollars and sometimes in excess of \$1,000,000. These sellers will not be caught dead going the FSBO route. Their time is better spent doing something else.

So if you are reading this guide, it is safe to assume that your property is in the low to mid-price range, which would lend itself more easily to a FSBO program, especially in a seller's market or if it is located in a high demand area.

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As a homeowner going the FSBO route you cannot be expected to learn how to implement complex online marketing campaigns and off-line targeted print campaigns. Therefore, this guide will only give you the most crucial marketing tasks you should implement to maximize your chances of selling. Here they are:

Pricing your Home. Even if you hired the best agent out there, a grossly overpriced home will not sell no matter how much is spent on marketing and no matter how skilled the agent is. Making that mistake will pretty much guarantee a bad FSBO experience. How can you properly price your home? You have several options:

- Pay for a professional appraisal. If your home has unique features and there are no similar homes that have recently sold or currently for sale in your area, then the best route is to get a professional appraisal for a few hundred dollars and use it to justify your price to any buyers.
- Interview a few real estate agents who are active in your area and ask them to provide you with their opinions of value.
- Do it yourself by researching recent sales in your neighborhood on your County Assessor's website. In some rural counties a trip to the courthouse to search local deeds of sale may be required...
- Do it yourself by looking at your neighborhood on Zillow.com and viewing all the sales and their pictures and descriptions if available. When compared to County Assessors' websites, Zillow.com has the major advantage of storing pictures and descriptions of past sales.

Marketing – Get Professional Photography. Most buyers are online and will make the preliminary decision to see your home based on the pictures they see. Why sabotage your efforts if you have already spent time, effort, and money in Phase 1 of Home Preparation? If you are a good photographer and know how to do HDR photography and in-fill flash photography, then take your own pictures. Otherwise, go to Google.com and search “professional real estate photography in (your town)” and you will most likely find several providers priced under \$200. (Unless you are in a small town or remote area...). This is a small investment that pays exponentially. No buyer wants to look at dark, crooked or close-up pictures of walls, furniture... Professional photographers use high quality cameras and wide angle lenses to show more of a room with vivid colors. That being said, if you skipped Phase 1 of this guide, then professional photography will only show more clearly the mess, clutter, decoration and defects of your home...

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- Marketing – Select a Local Flat Fee Broker.** In most metropolitan areas you should be able to do a Google.com search with “Flat fee MLS broker in...” or “Flat fee broker in...” and get results. Contact them and compare what they charge and what, if any services, they might provide. Make sure your property listing will appear on the major consumer real estate websites including: Zillow®, Trulia®, Homes.com®, and Realtor.com®. Some Flat Fee Brokers may offer add-on items such as sign, photography, electronic lockbox, brochure, offer negotiation, disclosure forms...
- Marketing – Write a Description of Your Home.** Nobody knows your home and area better than you. So write a short description of the major features and benefits of your home and area. Give this short description to the Flat Fee Broker to include in your listing description.
- Marketing – Decide on Times and Days for Showings with the Goal of Making Showings Easy and Convenient for Agents and their Buyers.** Have a clear schedule of the days and times you or whomever will be available to show your home. If your home is vacant and in a safe area, you may consider placing a lockbox for easy access. An electronic lockbox with showing agent tracking is better. (Your Flat Fee Broker might provide that service for a small fee)
- Marketing – Decide on a Commission to the Buyer’s Agent.** Consult with your Flat Fee Broker to find out what is the customary commission range in your market and offer a competitive commission, since you are saving on the listing side. The last thing you want is agents working with qualified and ready buyers not showing your home because the agents feel the commission is too low compared to what your neighbors are offering.
- Marketing – Read and Understand the Flat Fee Broker Agreement.** Your selected Flat Fee Broker will provide you with a written agreement disclosing the extent and form of their representation; the limited services provided to you, and other general terms and conditions applicable to your agreement.
- Marketing – Clarify Who Gets Buyer Leads.** A very important question to clarify in writing is whether the Flat Fee Broker will give you all buyer leads or whether the Broker will keep those buyer leads for themselves to earn the buyer’s agent side of the commission if one of these buyers buys your home.

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Marketing – Clarify What Happens if you Bring a Buyer. Another very important question is to clarify in writing if you owe a commission to the Flat Fee Broker if you bring a buyer. This is important because you probably do not want to pay a commission if you hold an open house and get a buyer or if someone comes to you directly to buy your home.

Marketing – Provide the Flat Fee Broker with the Needed Info. Provide your selected Flat Fee Broker with the photos, description, commission amount/rate, showing instructions and any other information they required from you.

Marketing – Check the Flat Fee Broker’s Work. This step is crucial to ensure you got what you paid for. Here is what you need to do:

Verify the MLS Listing. Request the Broker sends you a link to the full listing as it will appear on the MLS. Now you can check that all the pictures are there, and your description, showing instructions, commission, and the home factual data are accurate.

Verify Your Home is Online. Perform this step if your plan with the Flat Fee Broker included online syndication. Go to the major consumer real estate websites: Zillow®, Trulia®, Homes.com®, and Realtor.com®... and search your address to make sure your property appears properly. Report any issues to the Broker so they can fix them.

Check that Any Other Services You Paid For were Provided. If you paid the Broker for any basic or optional services, check that they were all provided.

Marketing – Other Advertising. The following are additional ways of advertising your property locally to prospective buyers:

Property Sign. Most likely the Flat Fee Broker will have a sign and post installed at your property, unless your community regulations do not allow “For Sale” signs or you are in a condominium building... If the Broker will not provide a sign, clarify in writing that you will have your “For Sale By Owner” sign on the property. It is recommended to have your sign professionally designed and printed, instead of using a cheap and tacky sign with a hand written message and phone number...

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Local Community Newspaper(s) and Website(s). If you are in a community or town that has its own community newspaper and/or website, it might be very beneficial to advertise your property there. Most buyers interested to buy in your area will get a copy of the local newspaper and visit the community website for local information, including listings and local real estate agents. This is especially true for small towns, rural areas, and suburban areas.

Open Houses. Experienced agents hold open houses to try to attract buyers looking in the area and neighbors who might become sellers. The potential buyers rarely end up buying that house. You see, most buyers looking around on their own are either in the beginning stage of the buying process and not ready to buy now; or they are buyers who know what they are doing and looking to get a deal at a discount from what they may perceive as being a desperate owner. If you have the patience and free time to hold open houses and let unqualified strangers in your home, then go ahead. That being said, take some precautions to prevent theft of your valuables by criminals targeting open houses. Qualified buyers usually work with a buyer's agent because they want a professional on their side.

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SHOWING YOUR HOME

1/ If you want to show your home in person because you can do a better job than the buyer's agent who has never seen it before; then the following tips will be very helpful:

- Be Friendly, Welcoming and Smile.** The buyers might already feel uneasy about meeting the owner and having the owner show them around.
- While Showing, Instead of Pointing to the Obvious, Emphasize any Unique Features and Benefits your Home Offers.** These may include any of the following: recent renovations, high grade and unique finishes, hurricane protection features, a new central air conditioning unit, a new water heater, a new boiler, a gas powered generator, any air or water filtration system(s), a new roof, double pane insulated windows, recessed LED lighting, a central vacuum system, any smart home features, built in home theater wiring and components...
- Clean and Prepare the Home.** You only get one chance to make a good first good. Make sure the home is clean, open windows and aerate it to remove any stale smells, turn all the lights on, open all blinds/curtains, turn off any TVs (low volume soft/neutral music is ok), make sure all beds are made, put away dirty laundry, put down the lids of all toilets. Adjust your thermostat so the home is comfortable.
- Guests and Children.** If you have children or guests in your home, it is best to have them stay all together in one large room or outside while you are showing. Most buyers get very uncomfortable looking inside a room while it is occupied and some will actually refuse to go in and say something like "It's ok, I can see from here". If several of your rooms are occupied, most buyers will feel they are intruding and would want to get out as quickly as possible. Not really your objective for a showing. Right?
- Pets.** Some dogs are quiet and will not bother visitors. Others will be hostile or bark to no end or jump on visitors. You know your dogs so put away any hyper friendly, loud or aggressive dogs in cages or have someone take them for a walk, or tie them up outside (weather permitting). Put away pet toys. Clean any litter boxes. Clean any pet waste in the yard. Don't assume the buyer of your home will be a pet person. Some people are allergic to pets, some people never liked them, and some people are scared of dogs. Don't let your pets sabotage your sale.

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2/ If you live in the home and will be there during a showings, the best thing to do would be to open the door, greet the agent and buyers, tell them to take their time looking around and that you will be outside if they have any questions.

3/ If you decided to put a lockbox at your home to allow agents to let themselves in while you are not there, there are some precautions to take:

- An electronic lockbox with tracking of which agent shows and at what time is preferable to a mechanical combination lockbox. Your Flat Fee Broker might charge a little extra for that but it is well worth it for your peace of mind. Many mechanical lockboxes can be easily opened with simple tools and once your combination is given out, you have no way of knowing who has it and who might come back to burglarize your home. Many owners are very unpleasantly surprised when keys suddenly disappear from their cheap mechanical lockboxes, and they cannot prove who did it. You will be left with no option but re-key the front door for your safety and change the combination on the lockbox... until it happens again.

- If the home is occupied by a tenant or you are living in it, make sure it is prepared for showings as discussed in the prior page, if possible. Make sure all valuable items such as cash, jewelry, watches, small electronics... are locked away. Make sure any dangerous items such as kitchen knives, weapons... are stored away and out of reach of any small children that may be present during the showings.

- If the home is vacant and has no personal belongings or furniture in it, you still want to visit it several times a week to make sure it is always securely locked with all lights are off except for the security outdoor lights. Agents are notorious for leaving some lights on and maybe a door or two unlocked. An agent unfamiliar with your switches and quirky sliding glass door locks might mistakenly think they locked up all doors and turned everything off.

- If you want certain lights to stay on all the time, tape their switches in the "on" position and tape a little note saying: "Do not turn off this taped switch". If you want certain glass doors not to be opened, tape a sign to say so and tape over the lock.

- If you do not live near your home anymore, you may want to have a neighbor or friend check on it on a regular basis. Vacant homes can attract squatters, be vandalized, have their appliances disappear, and in some unsafe neighborhoods be used for illegal activities...