

The Seven Most Serious Mistakes You Can Make When Selling Your Own Home

Each year, in our area, many home sellers make the same mistakes over and over again. When you add up these mistakes, they total more than a million dollars each year!

It pains me to watch these same common mistakes made over and over again, so I finally decided to do something about it — and thus this Special Report outlining the seven most common (and most expensive) mistakes made by home sellers each year.

Serious Mistake #1: "Hard Selling" During Showings

People buy homes on emotion, not logic. Buying a home is always an emotional decision. People like to get a feel for a home to see if it is comfortable for them. It's difficult for them to get comfortable in a home if you follow them around, telling them all of the things that you've done to the home and pointing out every improvement that you've made. It may even have the opposite effect that you want to accomplish by making the prospective buyer feel that they are intruding into your private space.

Resist the temptation to talk to the buyer the entire time that they are in your home. Let them discover the home on their own. I recommend tasteful signs to point out hidden features that they might miss. Another good idea is to have a photo album on the kitchen counter with photos of the home during other seasons.

Serious Mistake #2: Mistaking "Lookers" For Buyers

If you're selling your home yourself, you'll be opening your front door to everyone who walks down the street and sees your sign, and you may be spinning your wheels. I recommend that you ask buyers a few questions first to make sure they are qualified before wasting a lot of time with them.

A qualified buyer is one who is ready, willing and able to purchase your home if it fits his or her needs. Over the years, I've found that many people who look at homes for sale are curiosity seekers, nosy neighbors, and people with poor credit hoping to get sellers to help them with the financing.

Other buyers may be qualified, but they're six months to two years away from being ready. They don't want to bother a real estate agent yet, so they call and look at For Sale By Owner homes to get a feel for what's available. Many of these folks have a home to sell first, or they need to save money for the down payment, or they may need to work on their credit rating. When everything else is finally in place, that's when they seriously begin their search for homes working with a real estate agent.

I always "screen" buyers to make sure they are qualified before showing them homes. I won't show a buyer a home unless I know he can afford the home, and how much money he or will realistically walk away with when s/he sells her or his present home. Those are just a few of the questions that I recommend that you ask prospects before you show them your home. I've learned the hard way to ask questions before you waste a lot of time working with a buyer who may be unqualified or just looking for decorating ideas.

Serious Mistake #3: Pricing Your Home Incorrectly

As a seller, you want to sell your home for the most money possible. Putting too high of a price on your home will often get you less money than you could have realized by putting a fair market value price on your home.

Keep this statistic in mind: On the average, buyers are comparing your home to fifteen to twenty other homes. If your home is not priced competitively, people looking at your home may reject your home in favor of superior homes priced very comparably.

Overpricing your home usually increases the time on the market, and many buyers are aware of how long homes have been for sale. The longer your home is for sale, the more buyers are inclined to feel that there's something "wrong" with it, and the lower the offers will be.

Serious Mistake #4: Failing To Prepare Your Home For The Buyer's Eye

Buyers look for a home of their own, not a home of yours. Buying a home is an emotional decision and they end up buying the home that makes them most comfortable. It's what I call the "Ah-ha" effect. I've watched dozens of times as buyers have walked in through the front door and gasped "Ah-ha," and immediately fall in love with the home.

Owners who fail to make necessary repairs, who have very personal style decorating, who don't spruce up the home inside and out, who don't do all the little things that make a home show like a million bucks will suffer from lower offers and longer market time.

Think about it this way: if you were selling a car, wouldn't you wash it and maybe even give it an extra good cleaning inside and out to get the highest possible price? That's because a buyer looking at your used car is purchasing on emotion, just like someone looking at your home.

Serious Mistake #5: Signing A Long-Term Listing Without A Written, Specific, Performance Guarantee

Many times, an agent has good intentions about marketing your home, but circumstances can change. Other real estate agents are taught by their brokers to take any listing for any price, in an effort to begin to "control the inventory." These agents seem genuine at first, but you never hear from them again.

Always protect yourself by making sure that you receive a written promise stating that you can cancel the listing, if specific written performance details are not adhered to by the broker.

Sellers who don't heed this advice sometimes wind up tying their home up for months on end, with absolutely no activity. Always protect yourself by getting a guarantee of specific performance with the right to cancel. I offer what I call an "Easy Exit" listing agreement backed by the Lake & Company Guarantee, which gives you the right to cancel any time, for any reason whatsoever. That's how sure I am that you'll always be ecstatically happy with my services.

When marketing your home, don't just think that a classified ad will find the right buyer. It takes effort and persistence, but effort and persistence usually do pay off in the long run.

Serious Mistake's #6: Not Using A Written Purchase Agreement

Many sellers think their home is sold, only to find out weeks or even months later that the buyer was not able to obtain a home loan. Other sellers find out too late that dozens of items such as surveys, title insurance contingencies, assessments, tax pro-rations, pest inspections, structural inspections, and a host of other details can come back to haunt them if not properly addressed right at the very beginning. It's not uncommon to see a buyer willing to terminate a transaction only to have a seller cave in and capitulate and absorb the expense of an item that realistically should have been a buyer's expense to begin with, had it been written into the purchase agreement.

Serious Mistake #7: Not Obtaining Written Pre-Approval For A New Home Loan For Your Next Home

Nothing is more heartbreaking than to sell your home and find your new dream home, only to find out that you can't obtain financing for the dream home.

A written pre-approval is a formal written promise by a home lender to make you a new home loan. Do not confuse a verbal pre-qualification with a formal written pre-approval. Verbal pre-qualifications are just that – verbal. They are not binding on the home lender. Many home buyers have received verbal pre-qualifications, only to later be denied a home loan and have their dream shattered.

I'd be more than happy to give you the name of several highly competent, well-respected home lenders, who may provide you with a formal, written pre-approval at no charge, as a result of my recommendation. Please feel free to give me a call for their names.

The above recommendations come from the real estate industry during buyers' markets, sellers' markets, high interest rates and low interest rates. In any economy, however, the listed recommendations apply in all situations. Follow these guidelines and you will substantially reduce the often stressful and sometimes expensive mistakes made by hundred of home sellers in our area each year.