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SELLING **YOUR HOME** IN TODAY'S MARKET

Your best options for selling your house optimally

I'M READY TO SELL. NOW WHAT?



OK...you've decided it's time to sell your home. It's a seller's market right now, which means you can sell very quickly for top dollar, right? Well, hold on, there. Even selling "very quickly" amounts to a GREAT DEAL of time if done as a FSBO (For Sale By Owner) or conventionally, through a real estate agent. Yup. It usually takes two or more months to sell a house from list to close. This doesn't account for the WEEKS needed to clean, paint, repair and tidy up a property for its market debut. Now let's look at the time you'll spend waiting for the buyer's mortgage to wrap. It's easier to look at this in terms of months, rather than weeks. Let's just say you may be looking at 4-6 months of time before everything is said and done and you receive your money from the sale of your house. If you've got the time, that's great. You'll end up with more money in your pocket at the end of the sale, no doubt. However, some people don't have this luxury of time. They need the proceeds of their home sale as quickly as possible. Maybe you're one of them. If so, you'll need to look at other options. Luckily, there ARE other opportunities.

You might connect with a leading real estate broker who understands how to sell a home quickly. They may be able to shave some of this time off, above, simply because they're familiar with the process and can mitigate some of the pitfalls and roadblocks. You're probably still looking at months, though. A conventional real estate transaction simply takes time.

Your other main option is working with an investor. This can be a wise opportunity for you, as you could work with a credible, helpful real estate professional and negotiate a full cash, "AS IS" deal, reducing your time limit to as low as 10-14 days in many cases...and you could even set your move-out date.

There are definite benefits to all three avenues for selling your home. We've put this easy-to-read guide together to make you aware of your different options for selling...traditionally or quickly, depending on your needs.

This publication is not professional advice. Please note that each state has different laws and processes that govern the home sale process. We offer this for informational purposes only and urge you to speak to a qualified real estate professional (either investor, agent or both,) in order to receive proper guidance. That being said...read on!

WHY ARE YOU SELLING?

Don't worry, this is a rhetorical question, not really one you're expected to answer. The point to this is, there are many reasons why someone would want or need to sell a home. Your reason(s) will undoubtedly dictate the timeframe you need to adhere to and consequently, the method in which you sell, as well. Let's look at a few of the most common reasons:

No Significant Circumstances: Some people sell mainly because they choose to. Maybe they just want to move up, or move geographically, or simply "move on" from the property. They're looking for a change, and selling their house is one of the desired steps to achieve this goal. If this describes you, then you can choose any option for selling, as you probably have the luxury of time on your side. The FSBO option may work well for you, as well as working with a real estate agent who will help you take all the necessary steps to list and market your property so you may receive a top tier offer.

Bad Tenants: Some people become landlords without realizing the challenges and stress that sometimes come with this endeavor. Rental properties are not just financial investments, they can also drain you of time, affect your financial situation negatively and require a great deal of work and/or hassle you might not have expected. Maybe the worst possible scenario is tenants that are not easy to work with. Difficult tenants can easily turn an investment sour. In some cases, it might make sense to unload a challenging property and move on from that situation as quickly as possible. An opportunity to sell to an investor, who will take this matter off your hands relatively quickly and easily, might be VERY welcome.





Inheritance and/or Probate: Sometimes people find themselves in a situation where they've come into a property due to the passing of a family member, and they're not really equipped to deal with the added burden. The cost of utilities, upkeep, property taxes and maybe even a second mortgage payment can quickly add up to a heavy weight that drags one down, rather than being a benefit. This may be compounded by the fact that you live far away from the property in question...several states away or even further. Taking steps to quickly convert this property into cash, that can help with other matters relating to the loss of a loved one or possibly be distributed to beneficiaries could be just the right move. There are investors who specialize in probate and inheritance and can not only offer you a chance to move on quickly, but sometimes help with guidance through a tough situation. A more conventional route with an agent can be taken, but this may extend the timeframe beyond your needs.

Property Damage: Structural, roof, fire, storm, water, flood or other similar damage can be very demanding, indeed. Sometimes insurance isn't a feasible option. Maybe the property has been in disrepair for so long that the issues have grown or even compounded one another, and you're now looking at an overwhelming investment to address said issues. Technically, one could work with a real estate agent to make repairs enough to sell conventionally...and there may even be contractors who will work on a contingency basis, accepting to do the work and get paid when the house sells. However, oftentimes the more palatable option is to "cut one's losses" and sell the property "AS IS" to an investor who will shoulder the responsibility of fixing any issues and making any repairs that need be made in order to arrive at a profitable sale. You may consider this a win/win, because you can walk away without dealing with the issues while an investor is happy with the price they paid and through their connections, can make the repairs and still turn a profit.

Foreclosure, Notice of

Default, Bankruptcy, Liens, etc.:

Losing a much-needed income stream like a job can bring about the inability to pay one's mortgage. This could result in the mortgage company threatening to foreclose on the property...or worse, actually initiating the foreclosure process. The I.R.S. can also put a lien on your house. Someone in this situation can usually sell their house independently prior to a scheduled auction date, but depending on how behind they are on their payments, there might only be 30-60 days before the house ends up on the courthouse steps. An investor could be a wise choice in a scenario like this, because they can quickly provide a cash offer, resulting in you taking action before one is taken against you. This may help you mitigate further damage to your credit history.

There are many reasons why you might want to work with an agent or sell directly to an investor. This is a very personal decision, and one you should not take lightly. However, a general rule of thumb is to look at your urgency level. If you're feeling urgent because you need to sell quickly, with very little hassle and no time or money investment into repairs, then an investor is a smart choice. If your urgency level is not high at all, and this is just a smart decision for you that you can take your time with and invest more money into, then going the agent route or even FSBO might be advantageous, so you can make a higher return in the long run.



WORKING WITH A REAL ESTATE AGENT

This is the first option thought of by most homeowners, because it's been around for decades. Real estate agents have always been seen as the experts, because for many years, they were the only game in town. Having access to the MLS (Multiple Listing Service) and spending considerable time selling other homes in the local market, many homeowners see them as the natural choice. Here is a breakdown of the steps that are involved when you work with a real estate agent to sell your home:



- 1.** Before placing your home on the real estate market, you often need to make improvements or fixes. (i.e. replace broken or old toilets, repair broken fixtures, repair any cracks or holes in walls, remove any mold visible on tubs or showers, replace old carpet or tile, paint walls, replace old gutters, remove clutter from home and place in temporary storage, clean home, etc.) This can sometimes add significant, unexpected out-of-pocket expenses.
- 2.** Contact a local agent and consult with him or her regarding the details of your home and arrive at an asking price.
- 3.** You then sign a listing agreement with your agent, granting them exclusive rights to represent and sell your property within a designated timeframe.
- 4.** The agent lists your property on the MLS, employs some marketing for the listing and hosts buyers at your home for showings. The degree of marketing varies per agent. Some will go to great lengths for proper visibility and opportunity with listings. Others rely more on the MLS to provide exposure. If you choose the agent route, you should thoroughly vet your possible agents' marketing methods.
- 5.** If a buyer shows interest in your property, the real estate agent will take care of all necessary paperwork and negotiate with the buyers or their agent. Your agent then receives his or her commission and/or selling fees from the purchase of the home. Keep in mind that these aren't small fees. Usually they range from 3% to 6% of the total purchase price of the property.



The Costs:

The costs associated with letting a real estate agent handle your listing can vary, although it is typically 3-6% of the selling price. It is also important to mention that both the selling and buying agent can take a fee, which could mean that you will have to let more of your profit go. For example, if you sell your property for \$300,000, you could look at paying up to \$18,000 to agents!

Timeline:

The average time it takes to sell a home using a traditional agent is 3-6 months, but sometimes unforeseen circumstances can extend this timeframe.

Benefits:

There is no doubt that real estate agents know everything there is to know about the local market and they are the ones who have direct access to the MLS. This "Multiple Listing Service" is provided by a group of real estate brokers and is designed to expose listings to a wide pool of retail buyers. Real estate agents also market the listing, show the property when necessary and put together all the documents needed to close a sale.

Drawbacks:

The biggest disadvantage of working with a real estate agent when selling your home is that it can be rather expensive. As mentioned above, you can end up paying a pretty penny for the services provided by your agent. Not to mention, it can take some time to sell your home by using a real estate agent. If you decide to go this route, expect to wait at least a few months to find a buyer because it will take time for the agent to assess the property, market it and schedule showings. Once a buyer is interested in the property, it can take weeks for your agent to receive the final word on their financing and these offers sometimes even fall through completely. Also, it is fairly common for buyers and their agents to request that the seller pay for a portion of the closing costs. These costs plus the fees for the agents can result in a hefty final bill for you as the homeowner. And don't forget the upfront repair expenses necessary for improvements prior to putting your home on the market.

Who should consider working with a real estate agent?

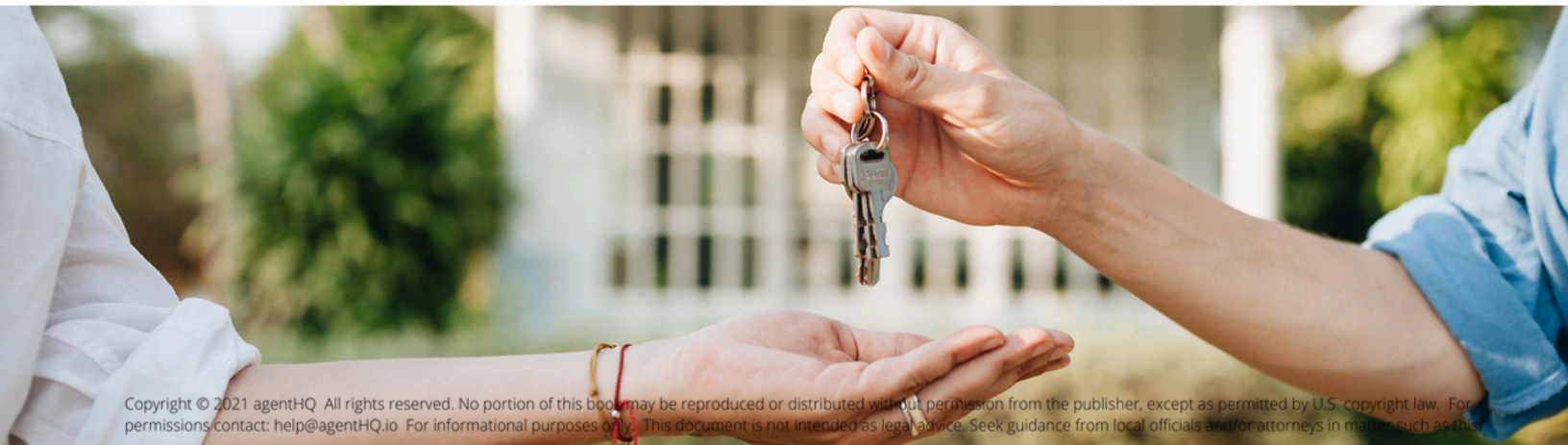
You should consider working with an agent if you are by no means in a hurry to sell and have a little wiggle room to cover the associated costs. This option is also recommended for those homeowners who are looking for full market value as it can take time and effort to find the right buyer.

FOR SALE BY OWNER (FSBO)

Over the last decade or so the "FSBO" (For Sale By Owner) method has grown in popularity throughout the country. This is likely because the Internet has given way to websites that allow homeowners to quickly and easily list their own properties. A couple of these sites include ForSalebyOwner.com, Craigslist.org and Zillow, among many others. Homeowners that choose to sell their home themselves can also have an affordable "FSBO" yard sign made, allowing them to market their own listing. If you are a bit familiar with the real estate process and consider yourself an effective marketer, this method might seem like the best choice for you.

These are the steps typically involved with the "FSBO" selling option:

- 1.** Before placing your home on the real estate market you will need to make any necessary improvements or fixes.
- 2.** Next, you will need to determine the value of your property, which can be a little difficult if you are not aware of the market. Once again, thanks to the Internet, it is fairly easy to research comparable properties in the area and current market rates. If you would like a more accurate estimate for the value of your property and the opinion of a professional, it's best to have your home appraised. You could also look at consulting with a real estate agent to get his or her opinion on what your home is worth.
- 3.** You should then take photos of your home, record all the data for your property, such as square footage, and then create your online listings. At this time, homeowners should also put a "FSBO" sign in their front yard to attract buyers who are looking in your area.
- 4.** The next step associated with the "FSBO" process is marketing your listing. Besides publishing your listing on community real estate websites, you could look at getting it into the local newspapers or putting together your own open house event. Individuals are also able to pay a flat fee (usually less than \$500) to list their property on MLS services without having to work with a real estate agent.
- 5.** You will then have to handle showings yourself, along with all of the paperwork needed to sell a home. When it is time to close, you will be the one present and handling the final purchase.



The Costs:

The only costs associated with selling your home as an owner are the fees needed to list your property and marketing expenses. Some agents will bring their buyers by to see the house if you pay them a fee, but these can add up. Also, you need to keep in mind that you will likely be asked by the buyer to pay for all or at least a portion of the closing costs.



Timeline:

The amount of time it will take your sell your property on your own will depend on your marketing efforts and how competitive the asking price is. Generally, homes that are "FSBO" stay on the market much longer than those being marketed by real estate agents because FSBO sellers aren't often able to reach a large enough pool of buyers in a timely fashion. When you take all matters into consideration, it usually takes 6 months to a year to sell your home on your own. It's not uncommon for a seller to price their home competitively, then over time, end up dropping their price considerably due to lack of interest or potential movement. In the end, many sellers find themselves close to the price they would have been offered by an investor, months earlier.



Benefits:

The advantage of selling your property yourself is more money in your pocket following a successful sale. The For Sale By Owner process allows you to keep more of the money because you don't have to distribute a percentage to a real estate agent. You also have full control of the listing and retain full responsibility for the entire selling process.



Drawbacks:

The downside is that selling a home on your own isn't always that easy. It is common for homeowners to become overwhelmed when selling their home due to all of the paperwork involved, the appraisal process and having to deal with buyers as well as their agents. Another disadvantage of going this route is the amount of time it could take to sell your home.

Who should consider For Sale By Owner?

The simple answer to this is, anyone who has time and knowledge on their side. You should really only consider putting your house on the market as "FSBO" if you are familiar with the buying and selling of real estate and if you have the time to wait for the right buyer to come along. If you are in a hurry to sell, this probably isn't the best home selling method for you.



SELLING TO A REAL ESTATE INVESTOR

Another popular home selling option is working with a real estate investor who specializes in buying properties in your area. Investors usually buy homes, fix them up and then sell them or use them as rental properties.

Let's look at the standard process of selling your home to a real estate investor:

- 1.** Contact an investor in your community and provide him or her the specifics regarding your property as well as the situation you are in.
- 2.** The investor will then assess the property or have their own appraiser come out and look at it to determine if there are any repairs that will have to be made. This allows the investor to come up with a purchase price that is fair for both parties.
- 3.** The seller reviews the offer and decides if they will accept it or not. In most cases, the seller doesn't need to worry about repairs, upgrades or cleaning the property. An investor will usually take all those concerns off your plate.
- 4.** If he or she accepts the investor's offer, a title company will then handle the sale and all necessary paperwork. Investors purchase properties with cold, hard cash, so closing is usually quick and easy.

The Costs:

Believe it or not, the cost to sell your home to a real estate investor is extremely low, because there are absolutely no commissions or fees that need to be paid out to an agent. Most real estate investors also cover 100% of the closing costs, which means you can keep more money in your pocket. The only “cost” really associated with selling your home to an investor is a result of the fact that he or she won't be able to pay full retail value. This is because, as with any other investment, real estate investors tend to look for deals on homes that allow them to make a small profit. Many people consider the amount that they save on closing costs, listing fees and other expenses makes up for the discount provided to an investor. If you choose to sell to an investor, you also won't have to worry about paying any “carrying” costs, which are the expenses it takes to maintain the property while on the market. These costs can start to quickly add up as they usually include mortgage payments, property taxes, homeowner's insurance, HOA fees and utilities.



Timeline:

One reason why so many people are choosing to sell their homes to real estate investors is because of how quickly the process can be concluded. Since real estate investors purchase properties with cash, closing can happen very fast. As a matter of fact, the majority of real estate investors are able to provide homeowners with an “ALL CASH” offer in 48 hours or less and closing can occur in as little as seven days from the time of acceptance. Mind you, it may take a bit longer in some instances depending on a particular situation or the volume of other home purchases in process.

Benefits:

The biggest advantage of selling your home to a real estate investor is that it will save you much headache and save you time. How convenient is it that you can have your home sold and money in your bank within just a week?! Also, you won't be responsible for covering any closing costs, title transfer fees or listing expenses. Most real estate investors will purchase homes in “AS-IS” condition, which means you won't have to pay for any upgrades, repairs or cleaning. The cost to make repairs, move junk out of the home and clean it will be covered by the investor once the purchase is complete. Many investors can also get creative with your move-out time, or even close on the day you choose.



Drawbacks:

As with the other two selling options, there are a few drawbacks when it comes to selling your home to an investor. For one, you will have to sell your property at a discount in exchange for the ease, speed and convenience of selling to an investor. Investors are in this to make a profit. A fair price for them might be a little bit of a shock to someone who wants top dollar for their home. Quick timing, no hassle, no showings, no real estate agent commissions, no fees and “cash money” in your pocket all are benefits that come with a price tag. Look at it this way, if you let a real estate agent list your home, it could take months to sell. The maintenance costs during this time; the agent fees and the closing costs alone could rival the discount given to an investor.

Who should consider selling their home to a real estate investor?

Selling your home to a real estate investor is the ideal option for those who need to sell their property fast and who don't mind sacrificing a bit of the purchase price. Also, those who don't want to deal with the hassle of cleaning or fixing the home or making any repairs should seriously consider opting to sell to an investor.

IMPORTANT NOTE: **Each state has its own real estate process.**

This document does not and was not intended to provide legal advice. This information is offered solely to our readers for general knowledge and informational purposes. Only a formal attorney-client relationship can provide legal advice, and it is recommended to speak to a real estate professional for real estate guidance.

All material presented herein is intended for informational purposes only. Information is compiled from sources deemed reliable but is subject to errors, omissions, changes in price, nothing herein shall be construed as legal, accounting or other professional advice.

Every state has its own, unique set of real estate needs and processes. That said, there are still many general and global principles. We hope the above can help you get an idea of what to expect and where to start when you choose to sell a home.

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CONCLUSION

Every home seller's needs are unique. Having scrolled through the pages of this publication, pause for a while and reflect on your specific circumstances. It is our sincere hope that this eBook helps you make the best decision possible for the future.