

A Step-by-Step Guide to Selling Your Home in 2023

You have a home to sell?! Congrats!

This Guide will provide you with all the steps you need to take to ensure the sales process is smooth sailing and maximize the sale price.

STEP 1: Here's All the Stuff That Affects Your Home's Value

The best seller is an informed seller. The first step in your home sale process is to **understand** all the factors that can affect the value of your home. By understanding these factors, you'll set the right expectations about the sales price.

Here are some of the most important factors influencing the value of your home:

Factor #1: What the Heck Is Going On With the Market?

To understand what you can expect from your property sale, you must familiarize yourself with what's happening on the market. You've probably been reading or hearing about the movement of property prices and mortgage interest rates.

This is not only important for understanding what your home is worth. It's **ESSENTIAL** for understanding what properties you'll be able to buy after you sell your current home.

You may have heard the terms "buyer's market" and "seller's market". Here's what they mean, and more importantly, what they mean for you as a seller:

A buyer's market is one in which the supply of homes exceeds demand. Since supply is greater than demand, you can expect your property to stay longer on the market with few or maybe even one offer, as buyers have more options available to them. If you are under time pressure to sell your home, you may have to settle for a price lower than the asking price.

A seller's market is one in which the supply of homes cannot keep up with the demand. This pushes prices upwards, as you can expect bidding wars and multiple offers put on your table. It often means you'll be able to sell your property relatively quickly. How quickly depends on the strength of the demand in your local market.

Understanding the Impact of Mortgage Rates on Property Prices

Rising mortgage rates can discourage a number of potential buyers from taking out mortgage loans. However, the impact is far more complex and must be analyzed with several other factors in conjunction, like population changes, rent movements, and the number of new housing developments.

Generally, most buyers will simply have to settle for lower approval amounts, meaning they'll look for more affordable housing solutions (e.g. they'll purchase a semi-detached instead of a detached house or look for more affordable areas).

Factor #2: Location, Location, Location

Each area or neighbourhood has their own micro market. What's going on in the real estate market in general might not be reflected in the same way in your local real estate market. You may see the media talking about skyrocketing property prices, but you notice such astronomical price rises are not happening in your neighbourhood.

It does happen that one particular neighbourhood or area becomes in demand for a few months. However, this demand might plummet, and another area or neighbourhood may become "hot".

Factor #3: Fixer-Upper - Yay or Nay?

Generally, **buyers prefer newer properties to old ones.** The reason is simple: newer properties are less likely to have issues the buyer might deal with in the future.

Of course, a recently renovated home will be more attractive than one that hasn't seen any work done for over a decade, even if the property is older.

Factor #4: Design & Architecture: Where Beauty Meets Functionality

As with clothes, **some items go in and out of fashion** (just remember low-waist jeans). This is especially true when it comes to interior design. Certain furniture pieces and colours are at some times particularly in demand and can attract more interested buyers. For example, buyers now prefer the "open concept" floor plan rather than the choppy-style one.

Factor #5: Must-Have Property Swag

Double car garage. Pool. Jacuzzi. Finished basement. Patio. Outdoor kitchen and grill area. In some areas, particular amenities might be in higher demand than others. If your home features some of these **sought-after amenities**, it can increase the number of interested buyers.

Factor #6: Size Matters. So Does the Layout.

Square footage and layout are also essential to the sale price equation. Two homes of the same size in the same area but with different layouts can attract a different number of interested

buyers. The so-called “flow” of the property has gained importance over the past few years, with buyers seeking well-thought-through floor plans that enable easy access from one area to another.

Factor #7: The Perfect Timing

Real estate is cyclical. Generally speaking, most sellers put their listings on the market Spring time. As we go into March and April, the number of listed properties usually starts increasing. Choosing when to list your property is very important, as demand for specific properties differs at different times of the year. For example, the demand for summer vacation and winter residence properties peaks during different periods of the year.

~

If you are curious about what your home is worth, you can get a rough estimate using an online home evaluation tool. Please note that these evaluations **ARE NOT ACCURATE** but just rough estimates based on market data in the last few months. This is past data that may not reflect the current market, and it doesn't consider all the specificities of your property.

GET A FREE, NO-OBLIGATION ONLINE HOME EVALUATION TODAY!

For a more accurate appraisal number, it's best to contact a real estate agent. Real estate agents are the best possible advisors for understanding what's going on in your local real estate market. They know how sought-after certain areas or neighbourhoods are at the moment, what kind of properties and amenities are in demand, what kind of upgrades and renovations you should prioritize to maximize the value of your home and how much time it will take for your property to sell.

! A Realtor needs to see the inside of your home. Be wary of agents who will give you a price without coming to see your property.

Besides, it's very likely that the agent has already been in houses on your street or in your neighbourhood and knows how your home compares to the ones that have already been sold or are currently up for sale. This kind of information is crucial when forming the asking price.

STEP 2: Is FSBO the Way to Go?

You have two options for selling your home: using a real estate agent and **selling it yourself** (**“For Sale By Owner” - FSBO**).

While selling the property on your own sounds enticing because you'll save money on commission fees. However, you are left on your own to do all the work necessary to sell a property, which can be overwhelming and time-consuming, especially when it comes to marketing your property.

! The most often mistake property owners who decide to sell on their own make is over- or underpricing their property.

Especially first-time sellers should seek out the help of a real estate agent. Besides knowing the market in and out, agents like myself have access to MLS (Multiple Listing Service). We can attract more interested buyers by paying for Facebook Ads, organizing open houses, and emailing our existing buyer database. We also handle all the paperwork, including handling and reviewing all the offers and writing counter-offers.

Choosing a real estate agent is a very important decision. You want to hire someone with experience or with an experienced team behind their back. You need to hire someone who you can trust.

Of course, I'd love to help you out in your home sale process. However, I understand we may not be the best fit. Here are some common mistakes you should avoid when choosing your agent:

Should you hire a real estate agent who is your friend/family?

Even though this may be convenient, and you will feel like you are helping, it can get tricky if you disagree in certain situations. You will also benefit more from someone unbiased and straightforward.

Hiring the agent who offers you the highest listing price... Red flag alert!

Yes, while you might get excited about the prospect of getting \$10-15,000 more for your property, be careful with agents making these promises. If you go to the market with a price that is too high, buyers might not even consider your home.

Hiring an agent who is well-known and popular

While it might seem like trusting your home sale process to someone famous and experienced is a good move, it may prove as a mistake. How much time can that agent really dedicate to selling your home if they are that in demand?

The agent with the lowest commission... Do you get what you pay for?

Yes, paying less commission sounds excellent. However, think about how much work selling a property encompasses. Can you really trust that the agent will do a diligent job if their commission is that low?

STEP 3: From Shabby to Chic: Prep Your Home for Sale

Before finally listing your home and putting it on the market, you must prepare it for sale. I've already mentioned how important of a factor age, design, layout, and architecture are for your sale price.

There are several ways in which you can prepare your home for sale:

#1 Let's Get Renovatin'

Renovations and upgrades are an excellent way to increase the value of your home. Sit down with your agent and tell them the rough renovation budget you have at your disposal. **Your agent will know best what renovation works should be prioritized with the budget you have set.** They know what amenities and design features will add the most value to your property.

Depending on the amount of work you want to do, **it's wise to start six months or even a year** before you need to sell your home.

You can ask your agent for recommendations if you need help finding the right people to do the renovation. I myself have a vast number of professionals in my network, which I wholeheartedly recommend. As a matter of fact, most agents do. So, don't be shy to ask.

#2 Love at First Sight: Step Up Your Curb Appeal

Yes, the deal starts when a potential buyer walks up your driveway. **Curb appeal makes a powerful first impression.** You can **trim hedges, refresh mulch, and edge the lawn** to boost curb appeal. Not everyone will be able to view your house during the day. To prepare for evening showings, **you can add landscape lights.** They are cheap and easy to install and can shine a light on your address number, making it easier to find.

Adding a fresh coat of paint can revive the appearance of the home. Polish and paint the door and clean everything off your front porch. **Flowers near the entryway** will make your home feel alive and inviting. These upgrades are relatively inexpensive and will give you a great return on your money without expensive renovation work.

#3 From Mess to Yes: The Art of Decluttering and Staging

You must present your home in the best possible light. 90% of the people I've worked with hate the word "*staging*". Staging means your home is not really your home anymore. This, of course, is a challenging moment for most. Some of your happiest memories were created in your home. Maybe you have photographs of the people you love or your children's growth height chart on your door frame. However, **staged homes sell faster and sell above the asking price.**

Decluttering and staging your home is crucial, as **it helps potential buyers more vividly picture themselves living in your home.** Seeing personal belongings, particularly in the bedroom and bathroom, might make buyers feel they are invading someone else's privacy, which is the exact opposite impression you want.

Besides, **homebuyers love extra space and storage.** A home full of photos and artwork you'll be taking with you makes it difficult for potential buyers to perceive the space's potential. Get rid of everything worn out, outdated, broken and dirty.

And last but not least, by staging, you are already making your move more manageable and less hectic. Although it may be emotionally awkward, it will also make it easier for you to say the final goodbye to your old home when the time comes.

You can hire a staging professional on your own, or you can ask your agent for a recommendation. Most agents, like myself, have a few staging professionals with whom they usually work and trust to do the best job possible.

#4 Lights, Camera, Action: The Power of Professional Photos & Videos

Homes with high-quality photos receive a 47% higher asking price per square foot. In recent years, video tours have become an equally important part of your home's online presentation. The pictures potential buyers see online are their first impression of your home. They can be a significant factor in determining whether or not the property is worth a showing.

Ensure you hire photographers and videographers specializing in real estate pictures and videos. It's different taking photographs of weddings and birthday parties, but a whole other taking pictures that essentially need to sell your property. When posted online, the property pictures should follow the flow of your property so that potential buyers can get a more realistic feeling of how they'll be moving through the property.

Again, if you're stuck and cannot find a photographer or videographer, your real estate agent will probably have the necessary contact network.

STEP 4: List It Like It's Hot

Once all the work is done, **it's time to list your property and put up that "For Sale" sign.** If you hire an agent, they'll probably have a marketing strategy prepared. The first step most agents do is to list the property **on MLS (Multiple Listing Service)**. After agreeing with you, some of them might first market the property to their internal database as a pocket listing (a listing that hasn't hit the market yet). They organize open houses, distribute flyers, and advertise on Facebook.

It's common for homeowners to install a lockbox during the sales process to make it easier for your agent to organize showings when you're not around. Usually, you shouldn't be within the property during a showing or open house. Some home sellers decide to move out during the sales period not to be bothered by cleaning the home and keeping it super-tidy.

You can expect the most interest within the first couple of weeks after listing the property. Soon after, if your agent did a good job and listed the property correctly, you'll start receiving the first offers. Your agent will discuss the offers and eventual counter-offers with you.

STEP 5: The Final Countdown: Accepting an Offer & Closing the Sale

After you've reviewed the offers, you must decide which offer you'll accept. It's typical for most offers to have a condition. Accepting such an offer means the sale is conditional, and the set

conditions must be fulfilled by a deadline for the deal to close (closing day). This is typically 30 to 60 days after the offer is accepted.

The most common conditions are:

- **Financing:** buyers shop around based on a pre-approved mortgage loan. Although they have been pre-approved, it can still happen they won't be able to take out the loan in the amount for which they have been pre-approved. The offer will fall through if they cannot take out the loan.
- **Inspection:** buyers can condition the sale with an inspection. The inspection is done at the buyers' expense. If unsatisfied with the results, they can choose to walk away from the deal.
- **Selling Of Buyer's Property (SBP):** The buyer will purchase under the condition they sell their current home first. With this condition, you can continue offering your home for sale for approximately 30 more days. In case another buyer submits an offer during that period, the initial buyer has the right to firm up their offer and keep the home.
- **Status Certificate (Condo Purchases):** A Status Certificate contains the current state of the condo unit, its financial status, and essential details about the building. If the buyers aren't satisfied with what's stated in the Status Certificate, they can choose not to go through with the deal.

Most purchase contracts state that possession day (the day by which you have to move out and hand over the keys to the new owner) is closing day.

After the deal has been sealed, it's time for you to deal with the closing costs. These include agent commissions (the buyer and seller agent split the commission you previously agreed upon with your agent), legal fees, and tax & utility adjustments.

Should I buy a new home before I sell, or should I start looking for a property only after selling?

This is the most common question I get asked by the home sellers I work with. Keep in mind that every transaction is different, as everyone has different lives, circumstances and standards.

In 85 percent of cases, the best is first to sell your property and then buy something new. Selling first is beneficial as you can access your current home equity to buy your new home. For most sellers, it's too financially straining to pay for two mortgages.

However, selling first often requires temporary housing while buying your new house. In most cases, sellers either rent out a property or move in with their family while looking for a new home.

The only situation in which it is better to buy before you sell is if you are under time constraints to move and we are in a buyer's market. A buyer's market makes it likely that it will take more time for your current home to sell. If you cannot afford the wait but don't want to or cannot settle for a lower sale price, then it's better to buy something before selling.

Disclaimer:

This guide has been provided by AgentLocator exclusively for the use of our active clients who are real estate agents. The information contained in this guide is intended to assist real estate professionals in their interactions with clients and customers.

While AgentLocator has made diligent efforts to ensure the accuracy and reliability of the information presented in this guide, we do not provide any warranties or guarantees, either expressed or implied, regarding the accuracy, completeness, or suitability of the information for any particular purpose.

Real estate agents are encouraged to independently verify and cross-reference the information provided in this guide before sharing it with their clients. It is important for agents to exercise their own judgment and seek advice from qualified professionals as needed. The information in this guide is not a substitute for professional legal, financial, or real estate advice.

AgentLocator shall not be held liable for any losses, damages, or disputes arising from the use of, reliance on, or interpretation of the information provided in this guide.

By using this guide, you acknowledge and agree to the above disclaimer.