

If you've decided to sell your home, chances are you're caught up in a host of emotions. You may be looking forward to moving up to a new dream house or facing the uncertainty of a major move across country. You may be reluctant to leave your memories behind or eager to start new adventures. Whatever turbulent feelings you're experiencing right now, there are plenty of practical matters that need your attention. Keep in mind the following considerations to help the whole process go more smoothly.

Time Becomes Money

It's a good idea to place your home on the market as far in advance as possible of purchasing a new one. If you find a new home first and then try to sell your present home, you may wind up with two mortgages. If this does happen, ask your real estate agent or banker about a bridge loan to help you make the double payments. Lenders use the same criteria for offering bridge loans as they use for mortgages. Should you qualify for a bridge loan, beware of the expense; during the term of the loan you must continue to pay both mortgages. Shop around for the best terms.

Keep in mind that when people move, sell and buy, there usually is a domino effect. Closing and moving dates have to be coordinated, and the more firmly everyone commits to a window of dates and sticks to them, the better for all involved. Put all agreements about dates in writing, and protect yourself by negotiating financial penalties for failure to comply.

Check Your Curb Appeal

A home that's visually appealing and in good condition will attract potential buyers driving down the street. Use this checklist to view your property through an outsider's eyes.

- Are the lawn and shrubs well maintained?
- Are there cracks in the foundation or walkways?
- Does the driveway need resurfacing?
- Are the gutters, chimney and walls in good condition?
- Do the window casings, shutters, siding or doors need painting?
- Are garbage and debris stored out of sight?
- Are lawn mowers and hoses properly stored?
- Is the garage door closed?

On the Inside

Strong curb appeal will lure potential buyers inside, where you have to live up to their expectations. Fortunately, there are plenty of easy improvements you can make to your home's interior without spending a lot of money. Cleaning is No. 1. Your windows, floors and bathroom tiles should sparkle. Make sure you have clean heating and air conditioning filters. Shampoo dirty carpets, clean tubs and showers, repair dripping faucets and oil squeaky doors. Keep your home neat, clean and picked-up at all times. It may not seem

fair, but a peek in the oven may be the hallmark by which a buyer judges how well you have kept up your home.

Remove unnecessary clutter from the garage, basement, attic, closets and straighten stored items. Also remove any items that might make a statement that would be offensive to others who may not share your same views, beliefs or sense of humor. If your home is crowded with too much furniture, consider putting some things into storage. If a room needs a fresh coat of paint, use a neutral off-white. Think, too, about how your home smells. You may be used to the smell of a pet or cigarettes, but such odors can be a strong turn-off to others. Be certain to remove valuables such as jewelry and other items from view. It might be wise to put these items in a safe deposit box before showing your home. Finally, set a mood for the buyer. Make your house homey with live flowers and fresh guest towels in the bathroom. Place scented potpourri around the house or, on the day you're expecting a potential buyer, pop a batch of frozen cinnamon rolls into the oven for a welcoming aroma.

Remember, cosmetic changes do not have to be expensive. In fact, costly home improvements do not necessarily offer a good return on your investment when you sell. It's attention to the basics—anything that says “this home has been carefully maintained”—that will help you get the price you want.

Go It Alone

Some homeowners decide to sell their homes themselves in order to save the commission charged by a real estate agent. The commission rate may vary, depending on where you live or what agency you choose, but it is generally upwards of 5%. However, handling your own sale means you will be responsible for placing ads, answering phones and showing your home to strangers. What's more, buyers who know you are saving on an agent's commission may offer less for your home, wiping out the financial incentive to do it all yourself.

You may decide an agent's commission is a bargain the first time that a would-be buyer shows up unannounced at dinnertime. Also, be aware that a real estate agent probably knows a lot more about the business of selling a home than you do. Here are some of the advantages professional agents offer:

- They will help you establish a fair asking price for your home.
- They will promote your home to other agents and list your property in multiple listing services. A multiple listing service is a book or computer database that all real estate agents who subscribe to the service can access. Your home will get exposure to all those agents, one of whom may have the perfect buyer.
- They will create, pay for and place advertising for you.
- They will schedule appointments to show your home to prospective buyers even when you are not there.
- They can weed out buyers who will not qualify for a mortgage.

- They can refer you to sources for insurance, inspections, legal counsel and financing.
- They will help you negotiate with the buyer.
- They can make suggestions to help make your home more attractive to a potential buyer.

If you decide to sell through an agent, ask friends and neighbors for recommendations. Talk to several agents before picking the one you want to work with. Taking a walk through your home with an agent should give you a feel for how that person will handle prospective buyers. Ask prospective agents how they plan to market your home. Don't sign with an agent just because he or she suggests the highest asking price. Negotiate the broker's commission prior to listing your home, and sign for a limited period of time—usually three to six months.

Setting a Fair Price

Naturally, you want to get top dollar for your home. But, at the same time, you don't want to scare off potential buyers with a price tag that's too high. Setting an artificially high price may cause your property to languish on the market for months. Reducing your asking price later on may lead buyers to wonder if there is something wrong with your home. Here are some of the factors to consider in pricing your home.

- Your location
- Economic conditions
- Supply and demand in the local housing market
- Seasonal influences
- Local schools
- Average home prices in the neighborhood
- Your home's extras -- pool, fireplace, central air, etc.

To determine the value of your home, you probably will want the advice of a real estate agent or appraiser. Ask an agent to prepare a market analysis for you, showing the recent selling prices of three neighborhood properties comparable to your own. The agent can help you adjust for the unique features of your own property.

Qualifying a Buyer

Either you or your agent will want to quickly weed out potential buyers who cannot really afford to purchase your home. A number of factors will help determine whether or not you are wasting your time negotiating a sale.

- The buyer's debt and credit history
- The buyer's current income and employment
- The buyer's cash position and availability of a down payment
- The length of time the buyer needs before closing on your home
- How interested the buyer appears to be in your home versus others

Seek Legal Representation

When selling your home—particularly if you are selling on your own—it's a good idea to be represented by an attorney. Look for an attorney with expertise in real estate transactions. When a potential buyer puts an offer in writing and you accept it, the signed acceptance becomes the sales contract. Your attorney will be present at the actual closing to protect your interests and can assist you with the following elements of a sales contract:

- The sale price
- What is included in the sale price -- draperies, carpeting, light fixtures, heating oil, etc.
- The amount of the down payment
- The date of closing and possession date
- Contingencies to the sale--inspections (e.g. structural, lead-based paint, radon), required improvements, legal review of the contract by the buyer's or seller's attorney, etc.
- The amount and length of the mortgage loan, interest rate and time limits to secure the loan
- Determining which closing costs are to be paid by the buyer and which by the seller

Tax Implications

Selling a home can have a major impact on your federal and state tax returns. Check with your tax consultant on the factors that may affect taxes resulting from the sale of your home. For example:

- Whether you purchased the home or acquired it by gift or inheritance
- Whether you used your home partly for business or rental
- Costs associated with selling your home
- Home improvements or additions, which may help to offset capital gains
- The sale of your home. In certain cases you can exclude up to \$250,000 in gain (\$500,000 for married couples filing a joint return) on the sale of property that was your principle residence for at least two years. Generally, you can use this exclusion every two years.

Congratulations!

You've successfully weathered the logistics of selling your current home, and you're ready to move on to a new and exciting chapter in your life. As you prepare for the coming changes, check out the [Life Advice](#) sections Moving and Buying a Home to aid you in this transition.

For More Information

Get the House Ready

A house that "sparkles" on the surface will sell faster than its shabby neighbor, even though both are structurally well-maintained.

From experience, REALTORS® also know that a "well-polished" house appeals to more buyers and will sell faster and for a higher price. Additionally, buyers feel more comfortable purchasing a well-cared for home because if what they can see is maintained, what they can't see has probably also been maintained. In readying your house for sale, consider:

- how much should you spend
- exterior and curb appeal
- preparing the interior

How much should you spend

In preparing your home for the market, spend as little money as possible. Buyers will be impressed by a brand new roof, but they aren't likely to give you enough extra money to pay for it. There is a big difference between making minor and inexpensive "polishes" and "touch-ups" to your house, such as putting new knobs on cabinets and a fresh coat of neutral paint in the living room, and doing extensive and costly renovations, like installing a new kitchen. Your REALTOR®, who is familiar with buyers' expectations in your neighborhood, can advise you specifically on what improvements need to be made. Don't hesitate to ask for advice.

Maximizing exterior and curb appeal

Before putting your house on the market, take as much time as necessary (and as little money as possible) to maximize its exterior and interior appeal. Tips to enhance your home's exterior and curb appeal:

- Keep the lawn edged, cut and watered regularly.
- Trim hedges, weed lawns and flowerbeds, and prune trees regularly.
- Check the foundation, steps, walkways, walls and patios for cracks and crumbling.
- Inspect doors and windows for peeling paint.
- Clean and align gutters.
- Inspect and clean the chimney.
- Repair and replace loose or damaged roof shingles.
- Repair and repaint loose siding and caulking.
- In Northern winters, keep walks neatly cleared of snow and ice.
- During spring and summer months consider adding a few showy annuals, perhaps in pots, near your front entrance.
- Re-seal an asphalt driveway.
- Keep your garage door closed.
- Store RVs or old and beaten up cars elsewhere while the house is on the market.
- Apply a fresh coat of paint to the front door.

Maximizing interior appeal

Enhance your home's interior by:

- Giving every room in the house a thorough cleaning, as well as removing all clutter. This alone will make your house appear bigger and brighter. Some homeowners with crowded rooms have actually rented storage garages and moved half their furniture out, creating a sleeker, more spacious look.
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For Your Home

Our [home improvement section](#) features how-to tips and important information about repairing and remodeling your home.

- Hiring a professional cleaning service, once every few weeks while the house is on the market. This may be a good investment for owners who are busy elsewhere.
- Removing the less frequently used, even daily used items from kitchen counters, closets, and attics, making these areas much more inviting. Since you're anticipating a move anyhow, holding a garage sale at this point is a great idea.
- If necessary, repainting dingy, soiled or strongly colored walls with a neutral shade of paint, such as off-white or beige. The same neutral scheme can be applied to carpets and linoleum.
- Checking for cracks, leaks and signs of dampness in the attic and basement.
- Repairing cracks, holes or damage to plaster, wallboard, wallpaper, paint, and tiles.
- Replacing broken or cracked windowpanes, moldings, and other woodwork. Inspecting and repairing the plumbing, heating, cooling, and alarm systems.
- Repairing dripping faucets and showerheads. Buying showy new towels for the bathroom, to be brought out only when prospective buyers are on the way.
- Sprucing up a kitchen in need of more major remodeling by investing in new cabinet knobs, new curtains, or a coat of neutral paint.

For Your Home

Want to give your home a new look? Find advice and inspiration in our [decorating section](#).