

THE HOMESELLING PACKET



Kellen Jacobson, Realtor

**Real Estate Redefined -
Experience the
Difference!**

Table of Contents

About Keller Williams-----	4
Understanding Agency Relationships in Real Estate Transactions -----	5
What Every Home Owner Wants To Know-----	6
Marketing Your Property -----	7
Price It Right From The Start-----	8
How Quickly Will It Sell: What Can You Control? -----	9
Pricing: How Soon Do You Want to Sell?-----	10
Competitive Market Analysis-----	11
Before The Sign Goes Up: Enhancing The Salability Of Your Home-----	12
The Home Preparation Process -----	14
Preparation Checklist-----	21
Client To Do List -----	23
The Home Selling Process -----	24
What’s Involved In Showing Your Property? -----	26
Listing Scorecard -----	27



Table of Contents Part II

Purchase Offer Agreement Considerations -----28

Closing On Your Home: Full Service To The Last Detail -----29

Broker’s Commission -----30

How Real Estate Agents Are Paid ----- 31

Real Estate Glossary -----32



About Keller Williams Realty

Often, we judge the caliber of people by the company they keep - this is why I would like to tell you a little bit about Keller Williams® Realty and my office within the Keller Williams system.

Keller Williams® Realty was founded in Austin, Texas in 1983 with the specific premise that buyers and sellers deserve the best service for their real estate needs. That founding premise has been a major factor in the continued growth of Keller Williams® across North America. Two visionaries lead Keller Williams® Realty - Gary Keller, founder and Chairman of the Board, and Mo Anderson, Chief Executive Officer.

Because each Keller Williams® Market Center has grown within its respective community, Keller Williams® real estate agents have intimate knowledge of each community's character, mood, and growth potential. Due to the fact that the majority of Keller Williams® Associates live in the communities and neighborhoods they serve, they are eager and capable of tackling unique challenges that families encounter when selecting new homes.

We are a profit sharing company where associates are in partnership relationships with the owners; this means that everyone at Keller Williams® Realty wants to find your home because everyone benefits.

The Keller Williams culture is based upon a belief system that is summed up by this acronym: WI4C2TS:

Win-Win	or no deal
Integrity	do the right thing
Commitment	in all things
Communication	seek first to understand
Creativity	ideas before results
Customers	always come first
Teamwork	together everyone achieves more
Trust	begins with honesty
Success	results through people



Understanding Agency Relationships in Real Estate Transactions

It is very important to understand how the real estate world works with respect to how agents and brokerage houses work together to accomplish the goals of the buyers and sellers in the market place.

The next two pages explain how that works.

In essence, it is important when buying and selling to know that you want an agent who will have your best interests at heart with regards to price, terms and conditions of the transaction.

There are seventeen variables that make an offer attractive, or not, and it is important to have your own agent in your court negotiating those.

Keep in mind that any ads, For Sale Signs, or on-line listings on any website with a home for sale has the listing agent as the person representing the seller's best interest.

The same holds true with attending open houses held by the listing agent/

If you want your own representation or someone to represent and negotiate for you your best price, terms and conditions then you want to secure an agent to show you those properties to accomplish that.

This is also true with new home construction. If you wonder through a Parade of Homes, a Showcase of Homes or any builder model out there, you will want to indicate that you are working with an agent or you will most likely lose your right to your own representation.

Though 95% of most people begin their search on-line, it is important to have a selected agent on your side before physically looking at homes.



What Every Homeowner Wants To Know . . .

What is the home's value?

What is the company and agent's marketing campaign and sales initiative?

What is the transaction fee and net to the seller?

What is the process and how does it affect the seller's lifestyle?

What is the real estate market specific to the seller's situation?

What is needed to prepare and stage the home to show it in its best light?

Eight variables that determine how quickly and at what price your home sells:

Uncontrollable

Location

Interest Rates

Competition

Seasonality

Market conditions

Controllable

Condition

Marketing

Price



Marketing Your Property

Typically in real estate and the marketing of a home, the ultimate goal is to “net” the seller the most amount of money with the least amount of market time and inconvenience. Furthermore, this should be accomplished with total terms and conditions favorable to the seller, yet making for a win-win scenario for all parties involved.

Often times there are variables equally or more important to the seller than the net monies received. (Please see “Purchase Agreement Offer Considerations”)



The main qualities you can plan on receiving from me in the marketing of your property are:

Professionalism. In addition to the usual real estate transactional services, my experience in sales, customer service, and management bring to the table a business acumen very much applicable to this industry.

Integrity. “Trust, honesty, and doing the things you say you are going to do.” Needs, desires and expectations from both parties are communicated up-front, and then satisfaction through implementation with continual mutual feedback as an on-going process.

Marketing Campaign. An all-encompassing, comprehensive and well-funded marketing campaign that spares no expense of energy, time and money to sell the home.

Negotiating Skills. The ability to competently represent your best interests and pay attention to the details that make the difference between a smooth and a disastrous ultimate outcome, again achieving for you, the seller, the total terms and conditions most favorable to you.

Full-Service. You can expect more than a transactional relationship. From the minute I am hired on to years after the closing, you can depend on me for answers to all your real estate related issues.

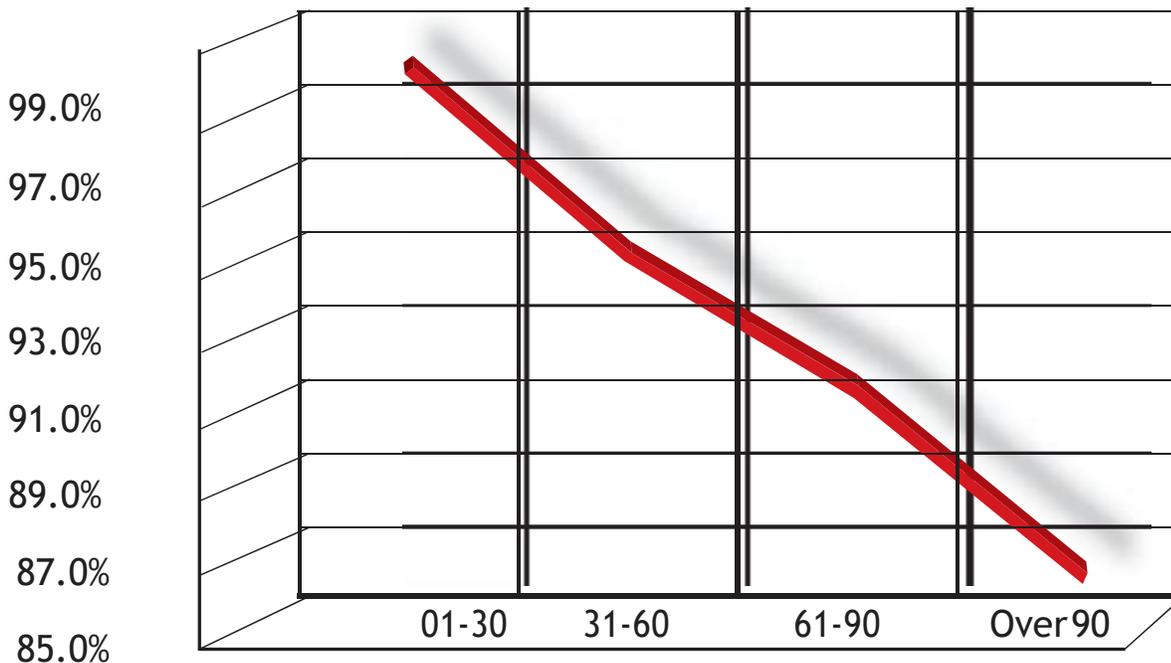
Pricing Accuracy. To assure you receive the most amount of money for your property, it is important that it be priced “properly”, meaning not too high or low. You can depend on my experience to price your properties accurately.



Price It Right From The Start

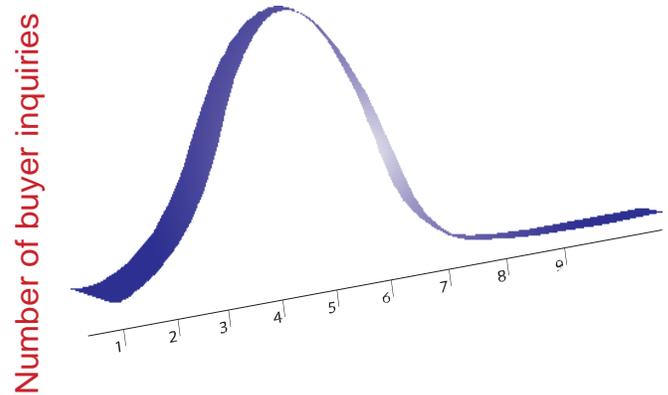
One of the key factors determining how long your property will be on the market is its sales price. If priced too high, it will stay on the market longer than other properties priced closer to fair market* value. On average, the longer it's on the market, the lower the eventual sales price will be. By working with a Keller Williams agent, your property can be priced right from the start.

Percentage of Original List Price Received Based on Days on Market



*Fair Market Value: The price a property can realistically sell for based on the sales price of comparable properties in the same area. Days on

The longer a home is on the market, the more buyers become wary - which can further reduce its perceived value and eventual sale price.



How Quickly Will Your Property Sell?

Factors We Can Control

Listing price is the single most important factor in the sale of your property. The best way to ensure the timely sale of your property is to price it competitively from the beginning. The better the condition of your property, the more it will stand apart from the competition. Homes in superior condition tend to sell faster and bring higher prices.

By exposing your property to the broadest possible audience through a coordinated marketing plan, you'll have a better chance of attracting a qualified buyer.

Your flexibility in negotiating the terms of your agreement (closing date, appliances, etc.) can also enhance your ability to sell your property.

Factors We Cannot Control

If there are a large number of comparable properties for sale, there is more competition for buyers. In a supply and demand market like real estate, a large inventory of similar properties makes our job more challenging.

Location is another key factor in the sale of your property.

The economy will affect the sale of your property, particularly through interest rates



Pricing: How Soon Do You Want to Sell?

If a property is overpriced by even 5 or 10 percent, it will stay on the market longer than others priced close to fair market value. Your agent can help you price your property correctly from the beginning!

Fair Market Value: The price a property can realistically be sold for, based on sale prices of comparable properties in the same area.



Priced High

- Fewer potential buyers
- Longer time on the market
- Requires price reductions to sell

Ideal Pricing Zone

- Substantially more potential buyers
- Better chance for quick sale
- Possibility for multiple offers



A Competitive Market Analysis

A Competitive Market Analysis (CMA) is created to estimate the value of your home - under current market conditions. It's a very time-sensitive report that looks at the attributes of your property, as well as other relevant properties in your area.

Active Listings

The more properties available, the more competition you have for buyers.

Sold Listings

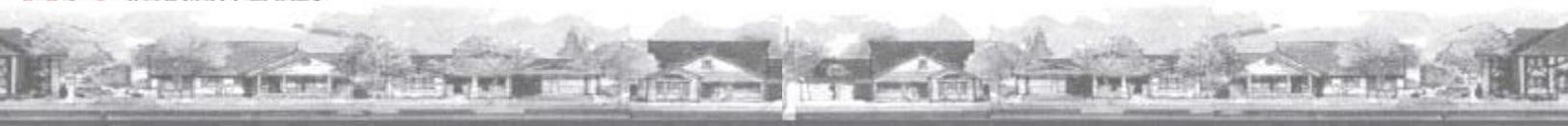
Compare the sale prices of homes with their list prices, and you'll see the strength of the market.

Ultimately, a home's value is determined by the highest agreed-upon price between a buyer and a seller.

Expired Listings

Homes that are priced higher than the market supports often result in few showings and no sale.

Apply CMA data to ensure your property is priced to actively attract buyers, not just sit on the market.



Selling Houses: **Before The Sign Goes Up** **Enhancing the Salability of your Home**

A guide to preparing your home for sale that will differentiate your home from others on the market...everything from creating exterior curb appeal, to staging the interior, to ensuring you are sensitive to the needs of all potential buyers. If a home is located right, conditioned right, priced right and marketing right it is almost guaranteed to sell in any market.



Keeping in mind that today's buyer mentality is one of: demanding, uncompromising, calculated, feels a sense of entitlement, wants a deal, willing to wait, picky, choosy . . . this puts a lot of on us on the seller to prepare their home for such expectations.

That having been said, the seller that does condition and price it right is the beneficiary of accomplishing every seller's goals; a quick sale and for top dollar. The reason being is that the buyer demand is there, it is pent up, and when they find the right opportunity they jump all over it. So preparing the home for sale condition-wise can be the seller's greatest opportunity to cash in.

The Laws of Successful Home Preparation and Staging

*** Do not personalize any counsel or feedback from your listing agent or other agents and buyers. Taste is very personal.**

Remember, a home you live in and a home you are trying to sell are two different things. Imagine you are trying to sell your car; how it looks right now and how it would look if you had buyers coming over to look at it for purchase.

- ✓ Buyers tend to make their mind whether they like a home or not in the first thirty seconds. That is why the entrance area and threshold is important.
- ✓ You only have one chance to make a good first impression. Be proactive and getting as many things right as possible before going live on the market.



- ✓ Buyers will not revisit a property once the changes have been made. They have moved on.
- ✓ The key is to de-personalize the home yet leave a personality. In other words, make it as clean, simple and “general public pleasing” as possible. The buyer wants to envision their furniture and accessories in the home and cannot do it with all of the current owner’s overabundance of furniture, accessories and what is viewed by the buyer as “clutter”.
- ✓ Less is more. Take away or lower things that make the room feel top heavy; pictures, nick-knacks, etc. Like all of the rest of these laws, there are subliminal thoughts that take place in the buyer’s mind.
- ✓ Lighter painted rooms are more inviting than dark, though a blend of Restoration Hardware/Pottery Barn historical colors are trendy and in . . . in moderation.
- ✓ The ultimate goal is to not spend any money on your preparation. However, if so, the goal is obviously not to spend \$2,000 to get \$500 back. If anything, you want to invest \$500 to get \$2000 back.
- ✓ Some things just have to be done to maybe get nothing back but are needed to get the home sold, i.e., stains in the ceiling, mold removal in the lower level.



The Home Preparation Process

Seller and realtor go through the home room-by-room, making notes and a “To Do” list on EVERYTHING down to the last minute detail. Remember the buyer mentality and expectations.

A list is compiled and then a weight or “sense of priority” is given to each item. For example:

- Red = A must do regardless of cost or return on investment. Water stained ceilings, mold in the basement, pet and other household odors mitigated.
- Yellow = A should do, would greatly enhance the home and perhaps be an example of investing money to make money. Sheet rocking a lower level room to add square footage where \$1,000 could get you \$10,000 because you can market it with more square footage in the price/square foot equation. Painting a room a different color which is sometimes a “red” item on the list. Re-sanding or buffing hardwood floors.
- Green = A can do if you want. Adding some landscaping

Outside Your Home:

- ∅ Cut the lawn—cut it every week during the marketing period.
- ∅ Edge the lawn—up the driveway and along the sidewalks (both front & back) for a finished appearance.
- ∅ Trim all shrubbery and remove low lying tree limbs.
- ∅ Fertilize your lawn to make the grass look lush and green.
- ∅ Replace downed shutters, gutters and downspouts. Remove debris from gutters & downspouts.
- ∅ Paint any trim that is blistering.
- ∅ Plant flowers in the front yard.
- ∅ Repaint or re-stain the front door to create a pleasant first impression.
- ∅ Replace torn screens from windows and front and back doors.

Inside Your Home:

- ∅ Paint only the rooms that really look fingerprinted, worn or faded.
- ∅ Have the wall-to-wall carpeting and draperies cleaned.
- ∅ Fix any dripping faucets. Perhaps only a new washer is needed.
- ∅ Replace old caulking around the bathtubs. This can be done with one tube of new caulking and a putty knife.



- ∅ Spray lubrication on all squeaking doors, windows, closets and cabinets.
- ∅ Place a solid deodorizer in each room and closet.
- ∅ Store out-of-season clothes so the closets don't have a cluttered look.
- ∅ Remove items from the floors of walk-in closets so prospects can have easy access.
- ∅ Stack all items in the garage and basement against the walls to show maximum space.
- ∅ Vacuum the garage, basement floor and rafters.
- ∅ If there are too many appliances on the kitchen counter, put some away to expose maximum counter space.
- ∅ Pre-pack items which may clutter your home. Extra toys in your child's room and knick-knacks may actually make your rooms appear smaller.
- ∅ Clean your home from top to bottom. A professional cleaning service can do this for you.
 - Wash windows
 - Clean fans and ventilating hoods
 - Clean & polish floors
 - Remove stains from toilets, tubs and sinks

SETTING THE STAGE

- ∅ The four most important factors in the salability of real estate are: Location, Condition, Pricing, Marketing.
- ∅ The goal in preparing a home for sale is not to make it look new, but rather to present the house as inviting, well-maintained and ready to be lived in. A well-maintained house shows that you have liked the house and conveys to the buyer that they will like it too. Spend money and effort on items that enhance the "well-maintained" image.
- ∅ Buyers and agents are often turned off by:
 - Clutter
 - Dirtiness
 - Lack of curb appeal
 - Broken items
 - Initial appearance



LOOKING AT THE HOUSE IN DETAIL

Some important factors relating to entryways and their surroundings are:

- Proper landscaping
- Condition and appeal of front door
- Exterior chipped paint
- Lighting
- Easily accessible lockbox

Once inside, buyers and agents notice these in the first two minutes:

- Floor coverings
- Condition of walls and ceilings
- Staging of home
- Odors, scents
- Construction quality
- Natural lighting

The four R's:

REPAIR: Most often

REPLACE: When repair cannot be done

REMODEL: When you want to stay in the home

REMOVE: It can open your house to more possibilities for the buyer

SHOWING THE HOUSE AT ITS BEST- These spruce-up tips can help determine whether your house sits or sells on the real estate market.

1. Reduce the clutter. Sort through closets, cupboards and storage areas. Toss what you can; organize the rest. If your rooms are filled to excess, put some pieces of furniture in storage while you sell your house. Likewise, park a camper, boat or extra car at another location.
2. Clean. Not only should your home be spotless, it must smell clean. Apply elbow grease and strong cleaners to surfaces inside and outside your home. Hire a professional to shampoo carpets. Be especially aware of household odors caused by smoking.



3. Paint. Light, neutral colors have a broader appeal and can make small rooms seem larger and airier. If you have wild or dated wallpaper, remove the paper and paint the walls. Choose premium quality paint. Fill nail holes and caulk before painting.
4. Make minor repairs. Tighten loose knobs, fix leaky faucets, lubricate squeaky hinges, clean out clogged drains, replace dirty filters, secure loose shingles, fix holes in screens, replace broken panes and remove stains.
5. Repair a leaky roof. One tiny water stain on the ceiling will cause buyers to question the entire roof. Fix the source of the leak, then repair any damage caused to the ceiling.
6. Repair a wet basement. The problem can be as easy to fix as installing covers over your window wells. If the moisture problem calls for more extensive repairs and you are unable to make them, be prepared to explain the problem to a buyer. Never try to cover up the signs of a wet basement.
7. Exterminate. One bug, dead or alive, can make a bad impression on a buyer. Call in a professional to rid your home of insects such as termites, ants, wasps and cockroaches. Repair any damage caused by insects. Allow time for the smell of the pesticide to disappear before showing your home.
8. Organize the kitchen. Clean off the counters. Add drawer organizers to suggest efficient use of space. (Manufactured units are widely available.) Store seldom-used small appliances and large baking pans.
9. Update the bath. If cleaning and paint cannot overpower a dingy bath, consider replacing the vanity and sink, installing a new floor covering, or resurfacing a stained bathtub.
10. Gussy up the front entrance. A coat of paint on the door, brass accents such as house numbers, a doorknob, and a kick plate, pruned bushes and blooming plants can help make a good first impression.



Homeowner Checklist

Drive up: Doors, windows, screens secure, tidy, in good repair. Large obvious concrete gaps/cracks patched, mailboxes, fences, gates clean, neat, operate properly, lawn, shrubs, snow removal all say to prospective buyer, "We've enjoyed living here. You will too!" Gutters, downspouts secure and complete

All rooms

- a. Ceilings stain free, minor cracks patched and painted
- b. Doors, windows, hardware operate properly
- c. Electric plates and heat/cool registers clean/repared
- d. Walls clean, patched, no loose wallpaper
- e. Floor coverings in serviceable condition or allowance made for buyer to choose new or replace
- f. Closets and shelves uncluttered and orderly
- g. All lights operate perfectly

Kitchen

- a. Caulking clean and smooth
- b. Appliances spotless, waxed
- c. All items operate properly
- d. Uncluttered counters, drawers, cabinets

Bath

- a. Caulking clean and smooth
- b. Tiles and grout tight and clean
- c. Shower doors and tracks spotless
- d. Towel bars secure
- e. Toilet lid secure
- f. Fixtures operate properly
- g. Ceiling fan; quiet and properly vented to the outside of the house

Garage

- a. Steps, railings secure
- b. Doors and windows secure and operate properly
- c. Organized and uncluttered

Laundry

- a. Fixtures operate properly
- b. Tub clean and tidy
- c. Organized and uncluttered



All repair/replacement work should be considered in the context of adding to a “well-maintained” look and not with an eye to making things look “new” - unless a remodel was called for to correct a major flaw, which would be required even if you were staying in the house.

Special Items

Cleaning up also means some throwing out. One concern involves cans of old paint, cleaners, VOCs (volatile organic compounds), toxic substances, etc. The county recycling station in Brooklyn Center will take these items, but only when delivered by the property owner. Allow time to get these items handled.

Dumpsters: Small (3 cubic yards) dumpsters are available. Cost is about \$100 for 7 days use and includes pick-up and delivery. Mixed loads must be indicated and payment is due on delivery. Local trash haulers will handle special loads when called in advance and for a special fee.

Water is the biggest threat: Inside and out, a house is destroyed by water in the wrong places. Paint isn't just decoration. Drops must be discovered and eliminated. Ground water must run away from the house. Ventilate crawl spaces. Air must circulate inside the house.

Homeowner inspections: Always take someone with you who doesn't live in the house. You often look at some things as “just the way things are”, whereas an outsider will notice (that door handle is loose, or that faucet is difficult to operate). Don't let prospective buyers discover your home's little idiosyncrasies.

Smoke detectors: New building codes require smoke detectors throughout the house. At about \$5 each, why not update a used house and use that as a selling feature?

When to stop touchups: Remember, you're selling the house used.

INDOOR ENVIRONMENTAL CONCERNS AND DIFFICULTIES

Study results from a 1993 survey printed in the Journal of Light Construction showed that “houses with any tobacco odor take twice as long to sell as those without”. Sick building syndrome was first described in a government report stating 50% of all illness and healthcare costs arise from indoor air pollution. Multiple chemical sensitivity (MCS) affects as much as 15% of the population. Symptoms can vary from sinus troubles to extreme fatigue, malaise,



dizziness, nausea, system shutdown and even death. Causative agents are found throughout our homes. Common culprits include heating and cooling units, paints, cleaners, adhesives, carpets, pets, trash containers and simple household dust.

With such a wide variety of trouble sources, and with one in six people sensitive to those agents, it is probably safe to assume that some of the actions taken to prepare a home for sale could affect some potential buyers as they inspect a home. When someone says that a house “just doesn’t feel right” or that “there’s just something about it”, perhaps they are sensing a troubling chemical agent.

Many of the most common “fix-ups” done prior to sale involve the most troubling sensitivity agents, and may be responsible at some level for buyer reluctance.

What to Watch For and Do

Carpet: New carpet gives off over 100 VOCs. In addition, removal of old carpet and pads stirs up dust, pollen, microorganisms, human and animal dander and particulate matter. Alternatives: Moist cleaning with natural cleaning agents. Avoid artificial air fresheners. They may cover odors, but cause distress in one out of six potential buyers.

Paint: Look for “low VOC” formulations when considering painting and decorating. Labels are clearly marked, but it is still wise to ask.

Cleaners and polishes: Natural non-fragrance-added cleaners offer excellent results with minimal residual effects. Any cleaning should be done in a moist fashion to minimize stirring up causative agents and putting them into the air.

Cabinets and furnishings: New furniture and cabinets are notorious for venting off formaldehyde and many other VOCs. Avoid bringing these kinds of items into the home in preparation for a sale.

In terms of chemical sensitivities in potential buyers, it is generally true that:

1. Natural is better than man-made.
2. Older, in-place items are less risky than new.
3. Moist cleaning is better than dusting or vacuuming.
4. Low VOC items are worth seeking out.
5. Drapes, slipcovers, etc. should be washed outside the home.

While not all potential buyers will be adversely affected, and there is no perfectly safe house, the problem of multiple chemical sensitivities is widespread and growing. Sellers who take this into consideration will be at a competitive advantage over sellers who do not.



Preparation Checklist ✓

Use this detailed checklist to help you make an inspection and repair record.

Checklist for Entrance Hall

- ◇ Doorbell operating
 - ◇ Door recently painted
 - ◇ Hardware operating
 - ◇ Door brass polished
 - ◇ Hinges oiled
 - ◇ Broken hinges replaced
 - ◇ Entryway lights operating
 - ◇ Floors cleaned and clear
 - ◇ Closet cleaned out
 - ◇ Closet light operating

Checklist for Living Room

- ◇ Repair ceiling and wall cracks
- ◇ Waterstains covered
- ◇ Wallpaper repair
- ◇ Woodwork repainted
- ◇ Windows washed
- ◇ Curtains washed, ironed
- ◇ Drapes opened
- ◇ Carpets cleaned
- ◇ Position furniture

for space Checklist for Basement

- ◇ Repair ceiling and wall cracks
- ◇ Remove signs of water stains
- ◇ Dampness removed
- ◇ Coldwater pipes covered
- ◇ Dehumidifier installed
- ◇ Sump pump installed
- ◇ No musty odors
- ◇ Drains cleared
- ◇ Furnace cleaned
- ◇ Storage neatly arranged
- ◇ Excess storage removed
- ◇ Floor swept
- ◇ Light fixtures operating
- ◇ Handrail secure
- ◇ Stairway runner secure

Checklist for Family Room

- ◇ Repair ceiling/wall cracks
- ◇ Waterstains covered
- ◇ Wallpaper

repaired

- ◇ Woodwork repainted
- ◇ Windows washed
- ◇ Washandiron curtains
- ◇ Windows operating freely
- ◇ Drapes opened to view
- ◇ Hobbysupplies put away

Checklist for Bedrooms

- ◇ Repair ceiling/wall cracks
- ◇ Waterstains covered
- ◇ Wallpaper repaired
- ◇ Woodwork repainted
- ◇ Windows washed
- ◇ Curtain/drapes cleaned
- ◇ Floor waxed/refinished
- ◇ Carpets cleaned/secured
- ◇ Make all beds
- ◇ Floor clutter free

Checklist for Bathrooms

- ◇ Sink stains removed



- ◇ Leaky faucets repaired
- ◇ Grouting stains removed
- ◇ All joints caulked
- ◇ Missing tiles replaced
- ◇ All fixtures operating
- ◇ Floors cleaned
- ◇ New shower curtain
- ◇ All supplies stored
- ◇ Guest towels out

Checklist for Dining Room

- ◇ Repair ceiling/wall cracks
- ◇ Water stains covered
- ◇ Wallpaper repair
- ◇ Woodwork repainted
- ◇ Windows washed
- ◇ Drapes open
- ◇ Floor waxed/refinished
- ◇ Carpets clean,

secure

Checklist for Kitchen

- ◇ Sink free of stains
- ◇ No dripping faucets
- ◇ Appliances in working order
- ◇ Wash walls and cabinets
- ◇ Countertops cleared
- ◇ Pantry neatly arranged
- ◇ Pantry hardware replaced
- ◇ Refrigerator defrosted

Checklist for Exterior HOUSE

- ◇ Recently painted
 - ◇ Gutters recently painted
 - ◇ Exterior lights operating
 - ◇ Missing shingles replaced
- ### **WINDOWS**
- ◇ Cracked panes replaced

- ◇ Trim painted
- ◇ Work freely

DRIVEWAY

- ◇ Resurfaced
- ◇ Potholes patched
- ◇ Recently sealed

PATIOS

- ◇ Wood stained or painted
- ◇ Fencing secure

Checklist for Landscaping

LAWN

- ◇ Lawn in good condition
- ◇ Grass mowed
- ◇ Edges trimmed around walks, driveways, trees & fences

TREES & PLANTINGS

- ◇ Dead branches pruned
- ◇ Dead shrubs replaced
- ◇ Prune overgrown shrubs



Client To Do List for Listing

- Prepare home for sale appearance-wise
 - Find Abstract/Torrens Title
 - Get loan payoff information
 - Fill out disclosure forms
- Have City Truth-in-Sale of Housing done (where applicable)
- Make list of home highlights, updates and amenities



The Home Selling Process

Welcome! I have designed this packet to assist you with the purchase of your new home. I assure you that it is my goal to provide you with the most professional and informative service available. I am always just a phone call away!

- Check filters every month.
- Have annual system maintenance service done one month before the heating season.

Electrical System

- To prevent power outages, limit the number of appliances plugged into one circuit.

Air Conditioning

- Check filters every month.
- Have annual system maintenance service done one month before the air-conditioning season begins.
- Keep the condensing unit free of debris.

Microwave

- Do not use pans or dishes that are metal or have metallic trim.
- Only use mild soap and/or baking soda to clean the interior. Abrasive cleaners or scouring pads can damage the lining.

Refrigerator

- Clean the interior shelves, shell and gaskets every three months.
- Once a year, clean the coils on the back or underneath.

Range/Oven

- To avoid damaging the burners, do not use extra-large/heavy cooking pots and pans.
- If you have a self-cleaning oven, do not use any other method to clean it.



Dishwasher

- Mineral deposits on the heating elements can be cleaned with vinegar.
- Be sure dishes don't block or damage the spray arm.

Garbage disposal

- To clean the disposal, push a full tray of ice cubes through it while running cold water.
- Always remember to run water during use and for at least 2 minutes after you finish. This prevents stoppages.

Washer/Dryer

- Clean the lint screen after each load of clothes has been dried and the unit is empty.

Trash Compactor

- Replace the deodorant supply regularly to prevent odors.



What's Involved In Showing Your Property?

Coordinating Appointments

Agents request showings through your listing agent's office. An office coordinator will call you to inform you of each request. Your special instructions (re: pets, etc.) are provided to the agent. Once the appointment has been confirmed Agents use the security lockbox

How Long Are Showings?

Typically, showings are given a one hour window. Most sellers leave the property to allow agents and Buyer's privacy while viewing the home. Circumstances may cause an agent to be earlier or later than expected. You will be notified as soon as possible if an appointment is cancelled or rescheduled

Agent Previews

An agent may view the property alone in an attempt to match the needs of a client, schedule a follow -up appointment to bring buyers. This helps agents stay up to date on available inventory

Unexpected Requests

If individual stop by without warning without an appoint to see your property, have time call the phone number on the "For Sale" sign to schedule an appointment, even those who identify themselves REALTORS®.



Listing Scorecard (Rate your Listing in these areas)

Price

- 5 Priced at least 5% below comparable sold.
- 4 Priced slightly below comparable sold.
- 3 Priced similar to comparable sold.
- 2 Priced slightly above comparable sold.
- 1 Priced more than 5% above comparable sold.

Pricing Score: _____

Condition

- 5 Pristine - shows like a model. New mechanics.
- 4 Very clean, well appointed. No deferred maintenance.
- 3 Average condition.
- 2 Dirty or cluttered. Older mechanics.
- 1 Poor condition. Hazardous items. Requires maintenance.

Condition Score: _____

Seller's Motivation

- 5 Seller must move quickly. Has definite date in mind. Has equity position or will write a check at closing.
- 4 Must sell quickly. Will pay closing costs, carry the financing or write a check at closing.
- 3 Will sell at a reasonable price and pay closing costs.
- 2 Negative equity position. Needs a "short sale."
- 1 Just speculating - "Let's see if you can get my price."

Motivation Score: _____

Total: _____

11-15 = Sold

7-11 = Doubtful

0-6 = Not Saleable



Purchase Agreement Offer Considerations

- 1) Financial worthiness of prospective buyer (pre-approved versus pre-qualified)
- 2) Lender considerations
- 3) Earnest money amount
- 4) Offer price (net)
- 5) Down payment and loan amount
- 6) Closing date
- 7) Type of financing
- 8) Contingencies (sale of own residence, another purchase agreement, inspection, other)
- 9) Assessment and taxes
- 10) Possession time and date
- 11) Representation
- 12) Financing terms
- 13) Inspection terms
- 14) Personal property requests
- 15) Additional requests
- 16) Arbitration or litigation



Closing On Your Home: Full Service To The Last Detail

Before Closing:

Agent

- ✓ Collects and forwards earnest money
- ✓ Coordinates home inspection
- ✓ Follows up on all offer contingencies
- ✓ Assembles & forwards closing file
- ✓ Conducts final walk-through

Buyer

- ✓ Obtains a pre-approved mortgage (strongly recommended); provides bank statements, W-2s and paystubs to lender
- ✓ Obtains hazard insurance
- ✓ Obtains certified funds for closing
- ✓ Conducts walk-through inspection of property with agent
- ✓ Accesses documents

Closing Service

- ✓ Orders payoff statement for existing mortgage &

liens

- ✓ Reviews title commitment for errors and problems
- ✓ Works with seller to resolve any title problems
- ✓ Coordinates closing date and notifies all parties
- ✓ Prepares closing documents and settlement statement

Mortgage Lender

- ✓ Completes loan application; verifies employment, credit and funds to close; file is analyzed and underwriting decision is given; funds for appraisal and credit report are collected
- ✓ Orders appraisal and title work
- ✓ Re-verifies funds needed to close
- ✓ Sends closing documents and loan proceeds check to lender's closing agent



Title Service

- ✓ Orders title research package
- ✓ Examines title
- ✓ Prepares title commitment and forwards to all parties
- ✓ Conducts final tract search

Seller

- ✓ Satisfies contingencies
- ✓ Resolves any title problems
- ✓ Accesses document

At Closing:**Closing****Services**

- ✓ Balances and explains financial figures
- ✓ Collects funds
- ✓ Explains mortgage documents
- ✓ Explains sellers' documents
- ✓ Disburses funds
- ✓ Transfers title

Agent

- ✓ Attends closing

Seller

- ✓ Brings keys to closing



Broker's Administrative Commission



What is a “Broker’s Administrative Commission”?

When you sign a buying or selling contract one of the fees disclosed in the document is called “The Broker’s Administrative Commission.” The Broker’s Administrative Commission makes up a small amount of the total commission Keller Williams Realty Integrity Lakes retains from every sale. However, your REALTOR® does not receive any portion of this fee.

How Is the Broker’s Administrative Commission Used?

The funds collected from the Broker’s Administrative Commission cover all of the services provided or developed by the broker, Keller Williams Realty Integrity Lakes. Just some of these include:

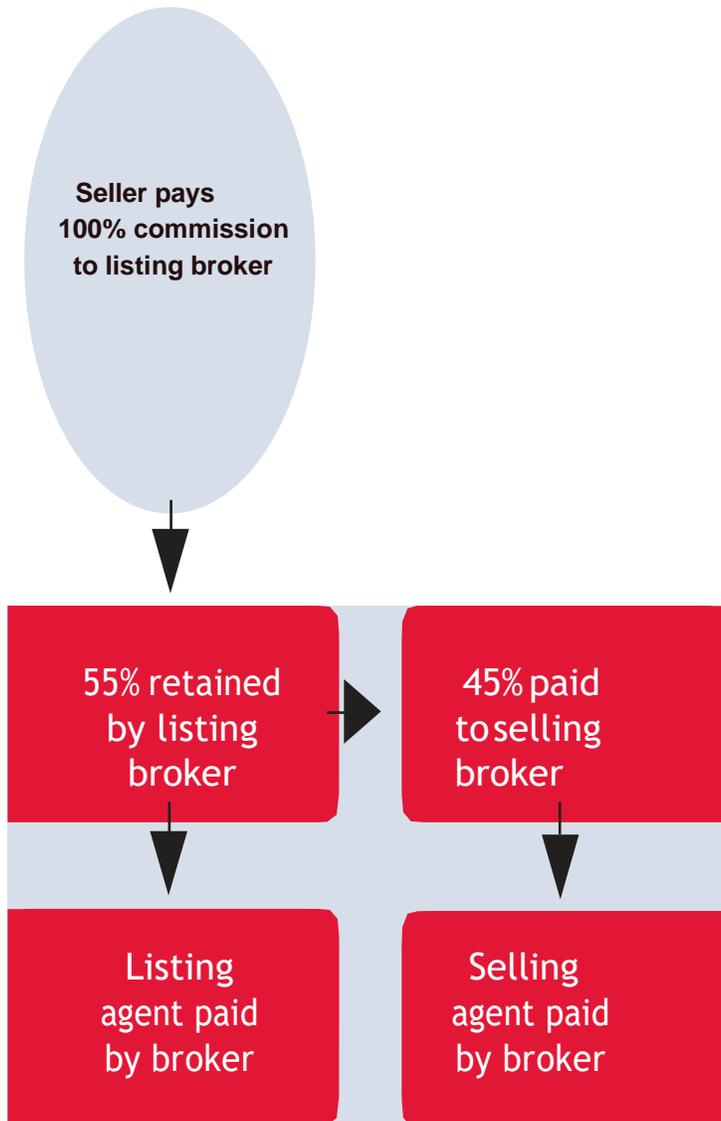
Commitment to Great Products and Services

We continually look for ways to provide you with great benefits using the commission dollars we earn. We’re proud to offer you, our customer, unique products and services to enhance your home buying and selling experience.



How REALTORS are Paid

You may rely upon the expertise of a REALTOR[®] to help you buy or sell a home - but you may not know how your REALTOR[®] is compensated for his/her professional service.



Did You Know?

REALTORS[®] are self-employed and receive NO salary or benefits. They get no paid vacation time, insurance, company cars or expense accounts from their broker.

REALTORS[®] are paid only for results. If and when they successfully close on a property transaction



Real Estate Glossary

Acceptance: the date when both parties, seller and buyer, have agreed to and completed signing and/or initialing the contract.

Adjustable Rate Mortgage: a mortgage that permits the lender to adjust the mortgage's interest rate periodically on the basis of changes in a specified index. Interest rates may move up or down, as market conditions change.

Amortized Loan: a loan that is paid in equal installments during its term.

Appraisal: an estimate of real estate value, usually issued to standards of FHA, VA and FHMA. Recent comparable sales in the neighborhood is the most important factor in determining value



Appreciation: an increase in the value of a property due to changes in market conditions or other causes. The opposite of depreciation.

Assumable Mortgage: purchaser takes ownership to real estate encumbered by an existing mortgage and assumes responsibility as the guarantor for the unpaid balance of the mortgage.

Bill of Sale: document used to transfer title (ownership) of PERSONAL property.

Cloud on Title: any condition that affects the clear title to real property.

Consideration: anything of value to induce another to enter into a contract, i.e., money, services, a promise.



Deed: a written instrument, which when properly executed and delivered, conveys title to real property.

Discount Points: a loan fee charged by a lender of FHA, VA or conventional loans to increase the yield on the investment. One point = 1% of the loan amount.

Easement: the right to use the land of another.

Encumbrance: anything that burdens (limits) the title to property, such as a lien, easement, or restriction of any kind.

Equity: the value of real estate over and above the liens against it. It is obtained by subtracting the total liens from the value.

Escrow Payment: that portion of a mortgagor's monthly payment held in trust by the lender to pay for taxes, hazard insurance and other items as they become due.

Fannie Mae: nickname for *Federal National Mortgage Corporation* (FNMA), a tax-paying corporation created by congress to support the secondary mortgages insured by FHA or guaranteed by VA, as well as conventional loans.

Federal Housing Administration (FHA): an agency of the *U.S. Department of Housing and Urban Development* (HUD). Its main activity is the insuring of residential mortgage loans made by private lenders. The FHA sets standards for construction and underwriting but does not lend money or plan or construct housing.

FHA Insured Mortgage: a mortgage under which the *Federal Housing Administration* insures loans made, according to its regulations.



Fixed Rate Mortgage: a loan that fixes the interest rate at a prescribed rate for the duration of the loan.

Foreclosure: procedure whereby property pledged as security for a debt is sold to pay the debt in the event of default.

Freddie Mac: nickname for *Federal Home Loan Mortgage Corporation* (FHLMC), a federally controlled and operated corporation to support the secondary mortgage market. It purchases and sells residential conventional home mortgages.



Graduated Payment Mortgage: any loan where the borrower pays a portion of the interest due each month during the first few years of the loan. The payment increases gradually during the first few years to the amount necessary to fully amortize the loan during its life.

Lease Purchase Agreement: buyer makes a deposit for future purchases of a property with the right to lease property in the interim.

Lease with Option: a contract, which gives one the right to lease property at a certain sum with the option to purchase at a future date.

Loan to Value Ratio (LTV): the ratio of the mortgage loan principal (amount borrowed) to the property's appraised value (selling price). Example - on a \$100,000 home, with a mortgage loan principal of \$80,000 the loan to value ratio is 80%.

Mortgage: a legal document that pledges a property to the lender as security for payment of a debt.



Mortgage Insurance Premium (MIP): the amount paid by a mortgagor for mortgage insurance. This insurance protects the investor from possible loss in the event of a borrower's default on a loan.

Note: a written promise to pay a certain amount of money.

Origination Fee: a fee paid to a lender for services provided when granting a loan, usually a percentage of the face amount of the loan.

Private Mortgage Insurance (PMI): see *Mortgage Insurance Premium*.

Second Mortgage / Second Deed of Trust / Junior Mortgage / Junior Lien: an additional loan imposed on a property with a first mortgage. Generally, a higher interest rate and shorter term than a "first" mortgage.

Settlement Statement (HUD-1): a financial statement rendered to the buyer and seller at the time of transfer of ownership, giving an account of all funds received or expended.

Severalty Ownership: ownership by one person only. Sole ownership.

Tenancy In Common: ownership by two or more persons who hold an undivided interest without right of survivorship. (In event of the death of one owner, his/her share will pass to his/her heirs.)

Title Insurance: an insurance policy that protects the insured (buyer or lender) against loss arising from defects in the title.

