

Preparing Yourself, Family and Property for the Sales Process

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For Sale By Owner ''F S B O''

The "For Sale By Owner" has many new opportunities available to them to Advertise, Market and Successfully Sell Their Real Estate !

The information you are receiving in this packet is part of a tool to introduce you to tools, conventional marketing, successful internet marketing and a group of professionals that can help you.. Our Affiliate Teams, wants to work "hand in hand" to assist you in the sale of your home. Is there a catch? Yes, two of them in fact: 1) This is only part of the complete handout provided to the "Owner Seller" or "For Sale By Owner"; 2) Because there is essentially "no free lunch", the Affiliates you work with will have expectations. All of which is explained in the following pages. We know that you don't want to pay a lot of money for these services, which is the reason we have designed a system around your specific needs. Many other "Owner Sellers" have used this system with great success.

We believe you will find the information here informative, valuable and "hype free". If you want part two of the packet, just contact us and we will gladly send the remaining information, for FREE, with no obligation.

You can contact:

Kit Creighton FSBO-HOME.com

FSBO Sellers Information

You're thinking about becoming a "for sale by owner" (FSBO in Real Estate terms).

There are ten things you should consider more than just running a classified ad in the local newspaper and putting a sign in your front yard. The time it takes to sell a house differs in every market. Here are some considerations for your FSBO sales campaign.

10 Things you should know

- 1. Try to be flexible with your schedule during the sales process. You'll need to work with potential buyer's schedules to make sure you maximize the likelihood of the sale.
- 2. Spending a few bucks on advertising. It takes a lot more than a sign in the yard to sell a house. You are looking for that one buyer who is also looking in classified ads, driving neighborhoods and surfing the Internet to find a home. Be prepared to spend the time, energy and money marketing your home to find them. We highly recommend that you have a special WebPage created to really highlight the features and benefits of your home. Use several quality photographs in your WebPage. Nothing sells like pictures! As the old saying goes, " A picture is worth a thousand words!" It is especially true when selling your home. Contact our WebMaster at his Email address of webmaster@fsbo-home.com and discuss your options for creating a WebPage. If you want your own, on your server, it will normally run about \$150-\$200 plus a small monthly fee to maintain the WebPage on the Internet until your home sells. We offer similar services, with search engine submission options for much less.

Remember! Hard to find homes, or those in more remote areas, are more difficult to sell. Sometimes they need something extra special.

Don't scrimp on small ads, use descriptive words, don't abbreviate, and consider display ads. Have informational fliers with photographs to mail and give buyers that are interested in your home. If possible include a floor plan, this will be available in a recent appraisal.

3. Pricing your house properly with objectivity will be one of the first critical steps to insuring a quick sale. The right price is key to selling - even an overpriced home listed by a real estate agent doesn't sell any faster and are eventually referred to as expired listings.

Real estate agents can give you a CMA (Comparable Market Analysis), if you tell them up front you are trying to sell your house yourself. In return, be willing to refer them people who have inquired about your house but did not buy. Visit homes in your area to see what your competition is. CMA's and Appraisals are based on the sale of similar homes in your immediate area. Therefore, what is happening in your area is of major importance.

A wise investment is an actual fee appraisal. Your new buyer can possibly use this when they apply for a loan. Be prepared to sell your home at or very near the appraised value. Most lenders will only lend on the final appraised value, regardless of what is written on your sales contract.

- 4. Keep track of all callers and lookers. If possible, get their name, address and phone number. You want a record of who has inquired about your home, it is also a good way to track you're advertising and marketing efforts. You may also need this information if any valuables find legs and walk off by themselves!
- **5.** Find a local Escrow Company/Title Company or attorney to take care of the handling of monies and solicit their assistance in preparing the necessary paper work for the closing and transfer of title.
- **6.** All of the necessary paperwork and disclosures need to be prepared. Educate yourself ahead of time to know what your responsibilities are.

Have a copy of the contract you want to use for the buyer to sign. You will want to familiarize yourself with the contract since it is a legally binding agreement. Get them from a helpful agent, or from the American Homeowners Foundation, 6776 Little Falls VA 22213 (703) 536-7776. Consider having an attorney review the contract for a fee, usually between \$250-\$500.

7. Any needed repairs that are needed are a necessity. You don't have the resources most real estate agents have, and if you don't do the repairs yourself research local companies who can help you. Interview several of them and get estimates so you can be sure which one can do the job you need. This is very beneficial when negotiating with the buyer and eliminates any unpleasant surprises.

Caution needs to be exercised here. In most cases you can do the repairs yourself. There are those issues though where the repairs need to be guaranteed for two years and/or preformed by a bonded specialist. I would start this information gathering process with a Home Inspection, followed with a conference with your Lender of choice and a Buyer's Agent. Between these two professionals they will be able to help you identify when a specialist is needed over a handyman.

8. Once you have a buyer that wants to purchase your home or property you need to

negotiate with them in a non-emotional manner. Emotions can run very high when discussing your home and keep this in mind. You don't want to loose the sale by being too emotionally involved.

9. Unless your buyer is paying cash for your home they are going to need a loan. If you can, qualify buyers before you let them into your home so you can spend more time with prospects, not suspects But once you find a real buyer, help them by providing anything they need which will allow them to qualify for their new loan. It is always a good idea to contact a Mortgage Loan Officer to whom you can refer potential buyers, as well bounce off the information you receive from potential buyers or their respective Loan Officer to see how real they are.

Make sure the buyer has already been pre-qualified, by having them submit a loan application and getting pre-approval within 72 hours. Smart buyers will have already done this. Get a deposit of 3% of the sales price and have the buyer deliver the money to the Escrow/Title Company or attorney of your choice that will be representing the sale.

10. Unless you get an offer right away, cooperate with the real estate agents that work exclusively with buyer's who want to sell your house, pay them a commission. The small percentage you pay them is worth it, plus the buyer will have the representation they so often want. Besides, the real estate agent does most of the paperwork, so let them handle it. However, do work closely with the Title or Escrow agent, since they understand the intricacies and complexities of their business.

Advertising

It's more than a Yard Sign !

You don't have to spend thousands of dollars, but you definitely need to attract attention to your home. A little money in three or four areas is advisable. They are listed below.

Yard Sign:

Spend the money necessary to get the right sign or post and hanger, and attach a rider or tube, which contains flyers with information about your home. If you have an 800 number add it to the flyer. Always keep a good supply of flyers in the rider or tube, and don't let them get rain-soaked. You are leaving impressions at every turn... make sure they are the ones you want to give.

Flyers:

These nifty sheets are the precursor to actually walking through your home. Have a photo or two of your house on the front about 4 inches wide. If you use only one, then make the photo about 6 inches wide. Below the photo(s), provide the information about your home in simple "one liners". Do not forget to include your name, address and phone #. If you have a web address be sure you include it on all your advertising, i.e.. <u>www.fsbo-home.com/ads/hs132.htm</u>. People surf at all hours and you never know when they may want to see your home again or contact you by e-mail.

Classified Ads:

When writing a classified ad, be short and sweet. Use big, bold letters. Such as **FSBO**, **we must sell**! Before going on, read our chapter on "Ad Writing Tips". Professionals use the classified ads to direct those reading the ad to act and you choose the action that you want your prospect to take. For example, your ad could direct prospects to call you, or could direct your prospects to a webpage containing comprehensive information about your home. So instead of being tied to a phone all day so you don't miss any calls, prospects are directed to a full-color webpage ad that highlights your home only, not an inventory of other listings. Once prospects have seen and read about your home, the web page ad directs them to your e-mail address or they call you directly at that point.

Internet:

There are many resources that allow you to advertise your home on the Internet. Our suggestion is to find a resource that provides you a flat fee for the page, as well as to have

your specific page submitted to the search engines for visibility. This advertisement will be part of a larger group of ads, but your page needs to stand on it's own with it's own unique Internet address. When you advertise our webpage address, prospects will see **your ad only,** not a list of other properties similar to yours. This is important when you advertise on the Internet in sites that specialize in "For Sale By Owner" properties. People viewing those pages do so with a very specific purpose... Compared to classified ads, the advantage of having a web page on the Internet with it's own unique address is it's expandability as an advertising resource and prospect filter, as well as it's ability to allow prospects to view your home and learn more about it. And if you are thinking about an Internet site that offers a great value and has great rankings in the big search engines, log onto <u>www.fsbo-home.com</u>. They provide 1) Specific web page addresses for all "sale" ads, 2) National exposure with over 225,000 file hits a month, 3) Arizona Web Site, <u>www.arizonaby-owner.com</u>, 4) They advertise in the local news papers classified ads section.

Tips on Ad Writing !

The information provided here are general rules and principles for advertising. We will become more specific with examples for classified ads. Other types of advertising media will be addressed here as well as in additional articles where space and time permit.

General Rules:

- \Rightarrow Less is More
- \Rightarrow Price, (not always included in the ad, if worded properly can work in your favor).
- \Rightarrow Indicate that you are selling FSBO, (for sale by owner) or "By Owner."
- \Rightarrow Give the style of home or property and the neighborhood location. Depending on advertising media, address can be included.
- \Rightarrow Give number of bedrooms and baths in the house.
- \Rightarrow Condition of the home or property in general terms.
- \Rightarrow Where do your prospects go to get more information about your property, phone, pager and other resources like a web pages.

OK, into the meat we go. "**Less**", entices prospects. If you say too much you will lose the buyer before they know what a great deal they are getting. As a fisherman knows, you put just enough bait on the hook to interest the fish. Similarly, give enough information to peak your prospect's interest. Examples follows later.

Always lead with your strong points. Pick from the numerous aspects, i.e. location, price, type of property or lot, year of construction (age of home), type or design of floor plan, 3000 sq ft, (square footage), 3 bd rms (number of bed rooms), 1 or 2 story, Style of home design (Colonial, Southwestern, Contemporary, Ranch), 2 ½ bth (number of bath rooms), and special amenities like family room, formal dinning, Jacuzzi, pool, 3 car garage.

Depending on the type of ad that you are writing you may be limited to characters per line as well the number of lines for your ad. For example, The Mesa Tribune will allow you only 17 or 18 characters per line with a 3 line minimum. The Arizona Republic has similar limits. This will force you to be creative. My greatest resource to creativity is looking at what other people have done. Take what works and make it your own. When

you think you have it just right, give it to a friend, not your spouse or significant other. Get feed back and first impressions. If the feed back and impressions are the ones you are trying to send then you should feel comfortable in placing the ad. To better explain ad writing we are going to use some of the questions we have received from previous and current clients.

Q: Should I state the price of my home in my ad?

A: If your sales price or incentives are strong points that people need to see, then, yes. An example might be; you have priced your house below appraised value or comparables. Normally though in any sales training situation I have ever experienced and information provided by expert sales people, price should always be the last topic raised or discussed.

Here are some examples: I'm looking through the news paper at classified ads and see a home listed at \$150,000. My wife and I have already discussed our sales price limit, (we haven't talked with the Bank yet). This home is out of our price range. The next ad has now sales price but has exactly the right number of bed rooms, baths and fits the image of the home we are looking for. . . Which ad will get the call?

Q: Should I tell prospective buyers that we are selling FSBO or Owner Seller?

A: Yes! Real estate buyers are always looking for "Good Deals". The assumption is that "FSBO's" are an opportunity to save.

Q: Is it important to advertise that we are located within a Country Club or specific community?

A: The first rule with real estate as it relates to value is LOCATION ! I would certainly tell everyone in an ad, unless there is something bad going on with your community or Country Club. Remember, people looking at your ad may be in a different state or country. Any information like this can be very enticing. Regarding fees or any negative issues surrounding your community or Country Club; you always want to break any bad news in person, at the minimum over the phone. I would never disclose the monthly or annual fees in an ad. Please do not misunderstand me; you have to tell prospective buyers everything about your home. That means "Good & Bad".

Q: Should I include incentives?

A: I would, keep the statement short though.

If you are offering buyer incentives prospects will certainly pickup on this in your ad. Even though it certainly is enticing to a prospect to hear that you are offering them something, be careful not to get bit on this one. What I mean by that, is, do not make the incentive at the expense of the buyer, i.e. you have increased the sales price \$500.00 to pay for the Appraisal cost you are offering to pay for. If you have worked out genuine savings your prospects need to know. It will certainly separate you from your competition. Here is a cautionary note, if you are throwing in a refrigerator and are hoping to be able to include it in the sales price, most lenders will see the refrigerator as personal property and will not allow you to include it. Just to make sure we are clear about this. Any personal property, (see our glossary if you don't know the difference between real and personal) written into a contract as contributing to the value of the home, will not be allowed. So anything that is not part of the physical structure will not be allowed. There is only one exception that I can think of; a stove and oven. Make sure you cover these issues with your Lender in advance so you can avoid certain financing issues

Q: Can I mention the condition of the property?

A: Yes. If there are other strong points I would pick one of them. When you start giving information about the condition of the property you are going to be painting an image with an associated \$\$ amount. Our Property is in perfect condition, provides an image that the buyer will not really having to do fix anything in the home. It also tells them that they will be paying a premium. Which may be OK for some people, but not for everyone. Here is another example; Fixer Up, or need some work. The image here is anything from missing doors to burned out rooms, (literally). The idea here is that some people will be turned off. If you are going to state something about the condition of the property I would stay in safe territory, i.e. "well maintained". This doesn't say that you over improved or forgot to fix the leaky hole in the roof. You could even use a combination of statements to imply even more, i.e. "Model Home Perfect", "Priced Below Appraisal".

Q: What options do I have in processing the prospects from the ads?

A: This really depends on you, your time and availability.

I like to think of advertising as a filtering process. In positioning myself this way I have reduced the unwanted phone calls or being paged. We regard this as a step by step system. Filtering out the people who really could take up valuable family or work time.

If people call you regarding a classified ad you placed, you know that you are going to be answering questions all day, with only a few real bites. So with the majority of the people that call but are not interested, why not send them through a filter. Fax back systems, flyers and full color web page ads work really well to process these people out with little time and expense involved.

A **fax back system** has three specific requirements; 1) You must have a modem in attached to your computer, 2) For this to work correctly you need a dedicated phone line, 3) The right software, many faxing programs in today's market offer "Fax Back" ability with their regular package. A note of caution here, it does not make sense to install a new phone line for these purposes Especially since you are going to sell your home. If you already have these things in place and you are computer inclined take your flyer and set it up as the document that gets faxed to any inquiries.

You need to have a **flyer** prepared and available. Mostly people will drive by and pull one or two from your information tube hanging from your sign. You'll probably want to carry several with you when your out. You never know when you will want to hand one to someone. Flyers normally are one page. Most that I have seen have one larger photo or two smaller towards the top. The bottom three quarters of the flyer is normally used to "Outline" the features of your home. If you prepare these in black and white they are simple and inexpensive to copy. Some people like to use color for the photograph(s). They only problem here is copying expense.

Web page ads are a perfect resource for almost everyone now. With an expected 250 million on the net over the next couple of years, we believe a web page to be the least expensive advertising investment giving you, the greatest exposure and freedom. With the cost of Internet access at all time lows, millions of people are on line daily and continue to sign up for services every day. Your prospects can type in you web page address and in less than 2 minutes they can be looking at a full color web page ad, (8.5" x 11") including photos. Your web page is up and available 7 days a week, 24 hours a day. Compare this to a buyer packing the family up in the car to drive 15 to 20 minutes to get a flyer with one photo on it, (if there was one left). Many web page marketing specialists design their we pages to include all of the information that they can. If you break it down into parts, give examples or graphics prospects will follow along.

Before you decide to put up your web page there are a couple of things to consider; 1) When you put up the web page how will people find it, (other than being directed by your flyer). 2) If you put up an ad in a "For Sale By Owner" service do you maintain control over all of the prospects that want to call or e-mail you, 3) Does the site already have traffic coming to their "FSBO" site that you can capitalize on? There is a lot more to web page design, search engine ranking and browser compatibility than most people want to tell you. In the circumstance regarding your ad, you want to find a site that already has the page design, local and national presence, marketing system and marketing resources to promote your ad with every available advantage. Time involved in setting this is limited, may be

a couple of hours. There is no maintenance or up keep. The best part, it can cost as little as .54 cents a day, (\$97.00 for a six month ad), with no monthly fees.

No matter what method of advertising you use or what combinations, you eventually want to talk with your prospects. Something you may not have thought about is making it easier for people to call long distance. Toll free numbers are very inexpensive now. The information below provides you with the ability for you to obtain a toll free number that is less expensive than a lot of long distance services. 6.4 cents a minute is their standard rate for both toll free and long distance services, with no monthly fees. This company ties the toll free number to your home phone number. If you have Caller Id, it should still work, mine does.

If you can get call forwarding from your designated number to your cell phone or a number that you know you will be at to take inquiries, do it. People looking for homes don't like to leave messages. They pretty much think that if you want to sell your home, you will be available when they call. This sadly means day or night. Be prepared. Need more information about the toll free or long distance service, here is a website to check out. It will give you all the details:

http://www.xtreme800.com/view.cgi?set_theme=8&page=index.

In closing there is one thing to keep in mind as you put this whole marketing thing together. Make sure that information is available to your prospect when "THEY" ask or look for it. There are several ways to accomplish this. You probably already have some of the tools in place. We have given you some information here as it related to the ads and how they are written. You will find an article covering in more detail, "**The Prospecting Process**". It covers several methods of advertising. If you would like it , contact us at (480) 649-6466. We would be glad to get it sent out to you.

Examples of ads on the following page.

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For Sale By Owner
Alta Vista Subdivision
Expansive 3 bedroom / 2.5 bath
New painted, pool, spa covered deck
Priced below appraisal and comparables \$120,000 www.arizona-by-owner.com/ads/hs151.htm
Owner Seller
Well Maintained Single Family Home
Split floor plan, 3 bedroom / 2.5 bath
Fenced Pool, Jacuzzi, Covered patio
Priced below appraisal and comparables \$120,000
www.arizona-by-owner.com/ads/hs151.htm
FSBO – Buyer's Agents Welcome
Buyer Incentives Provided
Split floor plan, 3 bd rm / 2.5 bth
Great Views, Quiet Area
Perfect Family Home
Priced Below Appraisal and Comparables www.arizona-by-owner.com/ads/hs151.htm

Team Work

Networking and Affiliation will bring <u>GREAT REWARDS</u> !

Be careful though, don't make the mistake of placing "no value" on these relationships. Everyone in the following professions works for a living and expects to make one. Use this approach and you will be very successful in your dealings.

To better understand how you can receive the benefit of these Professionals, lets discuss first what they want. [As I'm sure that you understand, find the motive or desire, you can build almost anything.]

Lender:

The <u>experienced</u> Loan Officer understands that the financing options for your prospects is important as any special requirements your property may have. In addition you will find that given the proper incentive, your team member in the roll of the Lender will be able to weed through any miss information given to you by the buyers agent or the buyers themselves.

So lets start with what the Lender wants, REFERRALS. Hmm, why referrals over other business resources; it costs less, easier to sell and more loyal. You may be asking yourself, "how can I send referrals to a Lender". It's easy, through a "Sign-In" Sheet that every one has to sign and complete before they can tour your home. You want them to sign the sheet for insurance and any theft issues that may come up any way, so you might just as well leverage this resource one step further. You have a "Sign-In" Sheet that everyone signs, including names and phone numbers to it as people call you, asking you questions about your home. Your Lender will not be interested in Real Estate Agents, so when Real Estate Agents sign in, identify them on your sheet as such, "RE".

Your Lender is looking for this desired result. Every week follow up with your Lender with a fax of the new entries or you might like to call your Lender. This way you can also find out what the interest rate market is doing.

I'm sure you are asking yourself, "what if someone doesn't want to provide the information". If you handle this like a business you will have no problem. Just make sure you think it through now before you are confronted with the following.

1) Ad Calls

Someone calling on an ad you placed in the classifieds. You pick up the phone and they confirm that they have called the right place, you answer yes, you let them start asking questions, (just don't say a word, they will start)

In the middle of their question, you ask them if you can call them right back because you are talking to another couple about the house when they called. And that you will give them the same courtesy as the other couple by giving them a quick call back. If they hesitate, ask them for their name and phone number. If they say that they want to call you back because, don't let them. Tell them, the couple you are talking to have a lot of questions and it may be a while. Each Time someone calls about your house consider it an asset for goods and services. Any smart business person would do the same.

2) People are coming to an Open House or have made an appointment to view your home, (of course if you talked to them on the phone you have their name and phone number). So now they need to complete your Sign-In Sheet. If people hesitate give them a solid reason, after all it's your home. Understand that some New Home Builders won't let you tour their models unless you break out the Drivers License and complete the information requested. I have always felt uncomfortable with letting strangers into my home, you should too. There are many scams that take place in these situations. You may have a Real Estate Agent or Prospect say that they don't have to, and they are right, but if they insist on that I would show them the door. After all, you will have that information anyway if they decide to buy the house and it's not like you are asking for their social security number or checking account information.

To successfully work this aspect you really need to stand firm on your requests, otherwise you have nothing to offer your Lender, and I don't know of anyone who is willing to work for free as well work with no prospect of any income. That kind of relationship won't last long.

You have other benefits when you work with an Experienced Lender, i.e. creative financing options, identifying possible problems with your property regarding specific types of financing. Do you know about all of the different grants, first time home buyer programs or investor tax programs that are out there and how they can effectively help you and your prospective buyers.

Title & Escrow Services:

Line this up now, ahead of time. You will need to know what the fees are that you are going to be charged as the Seller in the transaction. By the time you are through talking to the Title and Escrow company you should have a clear idea of what you will end up with after you close escrow and have paid all of your fees.

So why not find a company that can also help you market your home. Title Companies have the ability to provide "Farm Packages". Farm Packages are designed for people to send out letters, make phone calls to specific areas. So, once you have the company you want to deal with, have them produce a Farm Package for your neighborhood. This is important in letting people know in your local area, (or maybe the neighborhood next

door), that your home is for sale. If you have a web page provide the address on this mailing so that people can see the inside and all of the other great items your home offers.

Appraiser:

I would have a three-way conversation with the Lender and the Appraiser, (only after you have a realistic idea of what you are going to net on the sale of your home).

The information that you are looking for will assist you in the following: 1) A confirmation that your asking price is at or close to market, 2) Providing creative financing options, 3) Any concerns that the appraiser may have regarding your real estate.

Buyers Agents:

Oddly enough this is the Affiliate that will open the door to 90% of the prospects for your home. They want to get paid though, real dollars, not a trade for prospects. So if you are willing to part with 3% of the sales price then provide this information to your Buyers Agent. The Buyers Agent Affiliated with this information is already working with several other Owner Sellers on their For Sale By Owner project. Hmm, you think the information would be useful to that Agent. Maybe there is a buyer already on hook and since your not going to list it in the Multiple Listing Service, you better hook up with a Buyers Agent that knows how to network and has one in place.

Make Your Home Look Like A Model Home

• First Impressions Are Lasting

The front door greets the prospective buyer. Make sure it is fresh, clean, and scrubbed looking. Keep lawn trimmed and edged, and the yard free of refuse.

• Make Rooms Look Big

Remove as much furniture as possible. The less furniture in a room makes the room look bigger. Let people have space to walk around. Put away things on counter tops so counter tops will look bigger.

• Decorate For a Quick Sale

Faded walls and worn woodwork reduce appeal. Investment in new kitchen wallpaper, or a few cans of paint and a little putty will brighten up its interior. A quick sale at a high price will result.

• Let The Sun Shine In

Open up draperies and curtains and let the prospect see how cheerful your home can be.

• Fix The Faucet!

Dripping water discolors sinks and suggests faulty plumbing.

• Repairs Can Make A Big Difference

Loose knobs, sticking and squeaking doors and windows, warped cabinet drawers, and other minor flaws detract from home value. Have them fixed. Many buyers believe there will be ten problems they haven't noticed for every one they do see. You don't want them to leave the house wondering what other deferred maintenance items will come up after they move in.

• Safety First

Keep STAIRWAYS CLEAR. Avoid cluttered appearances and possible injuries.

Bathrooms Help Sell Homes

Check and repair caulking in bathtubs and showers. Make the room sparkle.

• Harmonize The Elements

FM radio or stereo on softly, <u>**TV OFF.**</u> All lights on, day or night. Drapes open in the daytime, closed at night. Make sure house temperature is at a comfortable level. If you have candles they add a nice smell and create a homey feeling. You can also bake a loaf of bread.