

## 1. Why Go FSBO

Thousands of homeowners nationwide choose to sell their homes without the services of a real estate agent or broker - as much as 20 percent of home sales annually are accomplished on a "For Sale By Owner" basis (also known as FSBO, or "fizz-bo").

**Is FSBO the method for you?** If you've never done it before, it certainly can be challenging, but if you are willing to do the work necessary to market your house and work with potential buyers, there are some advantages.

Typically, a real estate agent or broker who lists and sells your home gets paid with a commission of between 5% to 7% of the selling price. That means that if your house sells for \$200,000, you would end up paying him or her between \$10,000 and \$14,000. The commission makes up by far the biggest chunk of the expenses associated with selling your house. If you sell it without the help of an agent, you save that money.



### **Here are a few things to consider if you are interested in selling "FSBO"**

- .. How much can you save on commission fees
- .. Are you motivated to sell more quickly than a broker
- .. Is control of the selling process important to you (including when you show your home and pricing)
- .. If a fast sale is a high priority to you, once you've figured out what the asking price for your house should be, subtract the amount you would pay an agent – usually 3%, and reduce your asking price by that amount.
  - Your house will be priced lower than other ones in your area.
  - You still save half off a standard 6% commission
- .. Consider listing your house on the MLS

In short, selling by yourself is not simple. But, neither is selling through a real estate agent. The FSBO option can be worth your work, if you are committed to saving money, equity and quite possibly time. You will never know unless you try!

### **First Educate Yourself!**

Use the resources offered by Fizber.com and you'll be on your way to the smooth sale of your home.

## 2. Setting Your Home Price

Pricing your home is the most important decision you will make. This checklist will help you consider all the important factors.

- .. Search online for similar homes that have sold in the last 3 months in your neighborhood
- .. Check prices of comparable homes currently for sale in your neighborhood
- .. Visit open houses to see what buyers will be comparing your home to
- .. Order a Home Valuation Analysis from Fizber.com
- .. Consider what repairs or changes can impact your home's value
  - Kitchen or Bath minor remodel
  - Painting exterior
  - New roof
- .. Make a list of all the things that make your home stand out from similar homes for sale
- .. Estimate a minimum value for your house and a maximum value, based on your research
- .. Calculate what your net proceed from the sale will be at the top and bottom of this range.

### Example Figures

Selling Options	Agent	FSBO+MLS	FSBO
	<b>Both parties represented by an agent</b>	<b>Only the Buyer has an Agent</b>	<b>Neither Buyer nor Agent has an agent</b>
<b>House Price</b>	\$300,000	\$300,000	\$300,000
<b>Commission</b>	6%	3%	0%
<b>Fees</b>		MLS Listing Fee \$349,95	\$0
<b>Selling Cost</b>	\$18,000	\$9,349.95	\$0
<b>Proceeds from Sale</b>	\$282,000	\$290,650.05	\$300,000
<b>Total Current Mortgage</b>	\$225,000	\$225,000	\$225,000
<b>Net Proceeds from Sale</b>	\$57,000	\$65,650.05	\$75,000
<b>Pros</b>	You don't have to show your home	Reach the most buyers	Least expensive
<b>Cons</b>	Most expensive, no control over the process	Some upfront fees	Fewer buyers

### 3. Prepping and staging your home

With a few tweaks and a little de-cluttering, you can showcase a listing and get top dollar. Here's how.

.. **Disassociate Yourself With Your Home.**

- Say to yourself, *"This is not my home; it is a house -- a product to be sold much like a box of cereal on the grocery store shelf.*
- Make the mental decision to "let go" of your emotions and focus on the fact that soon this house will no longer be yours.
- Picture yourself handing over the keys and envelopes containing appliance warranties to the new owners!
- Say goodbye to every room.
- Don't look backwards -- look toward the future.

.. **De-Personalize.**

Pack up those personal photographs and family heirlooms. Buyers can't see past personal artifacts, and you don't want them to be distracted. You want buyers to imagine their own photos on the walls, and they can't do that if yours are there! You don't want to make any buyer ask, *"I wonder what kind of people live in this home?"* You want buyers to say, *"I can see **myself** living here."*

.. **De-Clutter!**

People collect an amazing quantity of junk. Consider this: if you haven't used it in over a year, you probably don't need it.

- If you don't need it, why not donate it or throw it away?
- Remove all books from bookcases.
- Pack up those knickknacks.
- Clean off everything on kitchen counters.
- Put essential items used daily in a small box that can be stored in a closet when not in use.
- Think of this process as a head-start on the packing you will eventually need to do anyway.

.. **Rearrange Bedroom Closets and Kitchen Cabinets.**

Buyers love to snoop and will open closet and cabinet doors. Think of the message it sends if items fall out! Now imagine what a buyer believes about you if she sees everything organized. It says you probably take good care of the rest of the house as well. This means:

- Alphabetize spice jars.
- Neatly stack dishes.
- Turn coffee cup handles facing the same way.
- Hang shirts together, buttoned and facing the same direction.
- Line up shoes.

•• **Rent a Storage Unit.**

Almost every home shows better with less furniture. Remove pieces of furniture that block or hamper paths and walkways and put them in storage. Since your bookcases are now empty, store them. Remove extra leaves from your dining room table to make the room appear larger. Leave just enough furniture in each room to showcase the room's purpose and plenty of room to move around. You don't want buyers scratching their heads and saying, "What is this room used for?"

•• **Remove/Replace Favorite Items.**

If you want to take window coverings, built-in appliances or fixtures with you, remove them now. If the chandelier in the dining room once belonged to your great grandmother, take it down. If a buyer never sees it, she won't want it. Once you tell a buyer she can't have an item, she will covet it, and it could blow your deal. Pack those items and replace them, if necessary.

•• **Make Minor Repairs.**

- Replace cracked floor or counter tiles.
- Patch holes in walls.
- Fix leaky faucets.
- Fix doors that don't close properly and kitchen drawers that jam.
- Consider painting your walls neutral colors, especially if you have grown accustomed to purple or pink walls.  
(Don't give buyers any reason to remember your home as "the house with the orange bathroom.")
- Replace burned-out light bulbs.
- If you've considered replacing a worn bedspread, do so now!



•• **Make the House Sparkle!**

- Wash windows inside and out.
- Rent a pressure washer and spray down sidewalks and exterior.
- Clean out cobwebs.
- Re-caulk tubs, showers and sinks.
- Polish chrome faucets and mirrors.
- Clean out the refrigerator.
- Vacuum daily.
- Wax floors.
- Dust furniture, ceiling fan blades and light fixtures.
- Bleach dingy grout.
- Replace worn rugs.
- Hang up fresh towels.
- Bathroom towels look great fastened with ribbon and bows.
- Clean any musty smelling areas.

•• **Scrutinize.**

- Go outside and open your front door. Stand there. Do you want to go inside? Does the house welcome you?
- Linger in the doorway of every single room and imagine how your house will look to a buyer.
- Examine carefully how furniture is arranged and move pieces around until it makes sense.
- Make sure window coverings hang level.
- Tune in to the room's statement and its emotional pull. Does it have impact and pizzazz?
- Does it look like nobody lives in this house? You're almost finished.



•• **Check Curb Appeal.**

If a buyer won't get out of her agent's car because she doesn't like the exterior of your home, you'll never get her inside.

- Keep the sidewalks cleared.
- Mow the lawn.
- Paint faded window trim.
- Plant yellow flowers or group flower pots together. Yellow evokes a buying emotion. Marigolds are inexpensive.
- Trim your bushes.
- Make sure visitors can clearly read your house number.

## 4. Marketing your home

If you want to sell something, you have to come up with a marketing plan. Even if it's just lemonade, you still need a stand and a sign to attract customers. Selling real estate is no exception.

### Marketing Plan

Include in your marketing plan the following:

#### Online Advertising

- List on Fizber.com and your ad will be posted to 80 + partner sites
- List on Fizber's Flat Fee MLS Listing - Reach more buyers who are using agents
- Notify friends and co-workers of your online listing by email
- Take Photos of the Exterior, Entry, Inside and back yard
- Write a short ad describing your home
- Write a longer description that emphasizes your homes' unique features



### Get started

It's simple to create your property listing. Select a package, create an ad and your property will be live on the Internet in less than 10 minutes. We'll automatically submit your listing to 80 web's leading classified sites. This will give your home's listing an enormous advantage!



#### Offline Advertising

- Post your ad to Newspapers classifieds
- Put Yard signs with the URL of your online ad
- Print Home flyers
- Host an Open House
- Offer Agent incentives (decide what you will offer an agent if they represent a buyer, generally 2% - 3%)
- Consider a Home Warranty to increase value to buyers

## 5. Closing the Sale

There are many details to consider when you are closing your sale. One option we recommend is having a professional review your sale contract to make sure that everything is in order. For a small price a licensed professional or real estate attorney can save you a lot of time and uncertainty.

### **Here is a list of things to remember when you close your sale:**

#### **Preparing**

- .. Order Contract Forms – If your buyer is represented by an agent they may provide these, or you can order them at [www.fizber.com](http://www.fizber.com)
- .. Decide on your timing requirements for escrow, when do you need to move, how long do you need in your house.
- .. Order professional contract review
- .. Review local disclosure requirements

#### **Negotiating**

- .. Review The Contract, list all the items that are benefits and all those that are negatives.
- .. Decide on Counter offer price
- .. Schedule:
  - Inspections
  - Counter-offer date
  - Settlement and closing dates
- .. Set earnest money deposit amount
- .. Accept contract

#### **Closing**

- .. Home inspection completed
- .. Solve home inspection issues
- .. Additional possible inspections
  - Roof Inspection
  - Electrical Inspection
  - Sewer
- .. Property disclosures approved by buyer
- .. Schedule appraisal – usually by buyer
- .. Mortgage approval confirmed
- .. Open escrow – either with your title company or the buyers
- .. Deposit earnest money With Escrow company
- .. Documentation to escrow company
  - Purchase price
  - Address and description of the property (this will all be contained in the purchase agreement)
  - Seller's name and address
  - Buyer's name and address
  - Parties to whom the preliminary title report or the abstract of title are to be sent (generally they are the buyer, seller and lender).

- Termite report information (who will do the inspection)
- Amount of deposit to be held in escrow
- Insurance agent for the buyer
- Financing information
- Any personal property involved in the sale
- Rent, if any
- Projected closing date
- Termite Inspection
- Confirm buyer's home owners insurance
- Complete contractually required repairs

### **Settlement**

- Final walk through with Buyer – make sure you have your contract in hand.
- Settlement with either your escrow company, buyer's agent or buyer directly
- Review closing documents 48 hours before closing to catch any error