

Homeowner's  
guide  
to a

*Storybook*  
SALE....



**LIBERTY TITLE**

THE CLOSING AND TITLE EXPERTS.

*I...*

... after reading through this guide, you have any questions, please call us and make an appointment with one of our For Sale by Owner specialists. Please call us toll free at 855-343-8830.

**Liberty Title.  
100% Michigan. 100% Local.**

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PURE *M*ICHIGAN

# Right on the Money



*If* your price is too high, you eliminate many qualified buyers and your home will sit on the market...and sit...and sit. You'll start dropping the price to attract buyers (which raises suspicions) and, eventually, you'll sell the home for less than you could have.

If your price is too low, buyers will wonder why you're "dumping" the property and may not give your home a chance. More importantly, you may not be making as much as you could on the deal.

If your price is just right, you're on your way to a happy ending. To help you settle on a "Just Right!" price, we've compiled this list of helpful Do's and Don'ts.

## *Do Not:*

- *Base your selling price on your tax assessment. This is usually a poor indicator of market value.*
- *Consider what you paid for your home. It may have appreciated considerably...or it may have lost value.*
- *Set a price based on how much you love the home or how happy you've been there. Market value depends on how much a buyer will love your home.*
- *Base your price solely on a Realtor's comparative market analysis (CMA). It is in your best interests to do your own pricing homework before you contact a Realtor®...and it's unfair to ask for a time-consuming CMA unless you are serious about hiring a Realtor®.*

## *Do:*

- *Use the CMA as a final evaluation of the Realtor® you're considering. It will show you the quality of work you can expect. And if the Realtor's® CMA doesn't jive with your price findings, use the opportunity to find out how the Realtor® thinks and to test your potential working relationship.*
- *Have your home appraised by a professional, local, licensed appraiser. Determining market value is their job...and they have nothing to gain by giving you an inflated appraisal. Ask your banker, attorney or Liberty Title for a recommendation. A full appraisal will run \$250.00 to \$500.00 and will take 1 -2 weeks.*
- *Check out your competition. Read the real estate ads. Visit open houses in your neighborhood. Are the homes similar in square footage, lot size, numbers of bedrooms and baths, etc.? Are they similar in appearance, quality and condition? If they are, these homes are your competition. Set your price in the same range. (To sell your home even faster, set your price a bit lower than similar homes in your area).*

- Visit your local tax assessor's office with the addresses of similar, recently sold homes in your area. (Home sale prices are a matter of public record because Michigan law requires that a "Property Transfer Affidavit", which discloses the selling price of a property, be filed with the local assessor.) In some cases, the assessor may be willing to give you information over the phone.
- Be honest and objective about your home's good points and bad points. Is it a starter home, a fixer-upper, a good place for a growing family, an executive home or an empty-nester home? Is the neighborhood safe, clean and convenient? Think about the kind of buyer your home will attract and what they'll be able to spend.
- Consider current market conditions. Are interest rates high or low? Is the economy booming or busting? How many homes are for sale in your area?

Once you've done your homework and gathered all your competitive information, you need to set two prices: the list price and the selling price. The selling price is what you've determined is a fair market value; tack on another 5-10% to arrive at your list price. Since buyers rarely offer the list price, you'll have room to negotiate down to your selling price without feeling squeezed.

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**Whether you're selling a small condominium or an executive estate, Liberty Title has the skill and experience it takes to handle the closing on your property, no matter how complex the transaction might be!**

# Who?

will help me  
sell my home

{Or..... should I do it myself?}



Selling a home is never a do-it-yourself project. You'll need a helpful, qualified team to assist you. At a minimum, you should have an attorney, a tax advisor, an appraiser and a title company. You may also want to add a Realtor<sup>®</sup> to your team—which we strongly advise!

It's a good idea to begin with your attorney. He or she can help you find the other professionals you'll need along the way, including home inspector, lenders, title company, and if you choose, a Realtor<sup>®</sup>. If you don't have an attorney, call Liberty Title for a referral. Your attorney will help you through the entire selling process; reviewing legal documents, seeing that you are meeting your legal obligations, protecting you from unfavorable sales terms and keeping you advised on tax issues. Your attorney will provide you with invaluable advice and is well worth the investment, but attorney fees aren't chicken feed. You can expect to pay \$95.00 to \$160.00 per hour with total costs based on how much work you need done. Get a written, itemized estimate based on your situation so you know what kind of costs to expect.

Ask for your attorney's advice regarding the use of a Realtor<sup>®</sup> as a seller's agent. He or she will take your personal and financial status into account and will help you make an informed decision. Together, you'll want to consider the following issues:

## **Can you afford to give up 5-8% of your selling price to pay the Realtor's<sup>®</sup> commission?**

Realtor<sup>®</sup> commissions can run as high as 8% of your home's final selling price. The commission is deducted from the proceeds at closing. If you choose not to use a Realtor<sup>®</sup>, you can afford to list your home at a lower price. To determine which option is financially best for you, refer to the ["Net Seller Proceeds Calculator"](#) on this site.

## **How much time can you commit each week to selling your home?**

A Realtor<sup>®</sup> will spend many hours every week trying to sell your home. That's his or her job. Because you don't have access to all the same resources, you may spend even more time than the Realtor<sup>®</sup> would. And don't forget how long it will take each day to keep the house in tip-top shape for showings. One powerful home marketing tool is available to you only through a Realtor<sup>®</sup>. The Multiple Listing Service (MLS): this private database is used by all Realtors<sup>®</sup> to list home for sellers...and to find homes for buyers.

### **Are you willing to talk to prospective buyers about their ability to buy?**

Realtors® know when and how to talk to buyers about this delicate subject. They can also carry the heavy load of contract negotiation, a difficult and demanding task.

### **Can you afford to spend several hundred dollars in out-of-pocket costs to market your home effectively?**

A Realtor® will absorb the cost of advertising your home in local papers, posting it on travelled websites, posting signage, sending postcards to prospective buyers and producing attractive “sell sheets”. If you sell it yourself, you’ll have to cover these costs yourself.

### **How long can you wait to sell your home?**

If you’ll second-guess your decision to sell it yourself after 30 days—or if you must sell your home quickly—do yourself a favor and list with a Realtor® right away. On average, if a home is priced correctly, it should sell in 90 days. (Market conditions, your home’s appearance, location and time of year can also impact selling time).

*Tip:* If you decide to use a Realtor®, ask friends, colleagues, your attorney, lender or title company for recommendations. Use a respected, experienced Realtor®. Ask for recent references (and call them). And get a specific, written plan on how your home will be marketed. Remember: the commission you pay your Realtor® entitles you to a comprehensive, professional effort

*Tip:* Do NOT select a Realtor® based on their suggested list price for your home. Some Realtors® may try to “buy” your listing by suggesting an unrealistically high selling price—a price that will likely be brought back down to earth before you can sell. Instead, consider the Realtor’s® experience, ability and proposed marketing plan.



**Liberty Title can provide you with current title information, your tax status and copies of recorded building restrictions and easements...so you can keep your deal on track from beginning to end.**

# Scrub a-Dub-Dub



{A Clean House is a Sold House}



As soon as the “For Sale” sign goes up, any time is show time. You must be prepared to let a buyer tour your entire home—from the musty old basement to your teen’s wreck room—at a moment’s notice. So, before the sign goes up, you’ve got plenty to do.

Take a good hard look at your home from the buyer’s point of view. Is it fresh looking and clean smelling? What kind of obvious repairs are needed? Is the lawn a bit rough around the edges? Is your home spacious and roomy or overstuffed with stuff: Are all the appliances clean and in good working order: is it in move—right in—condition?

Prospective buyers will be looking into everything from the medicine cabinet to the garden shed. They’ll see the weeds in the flower bed, smell last night’s flounder, and hear the hard — rocking stereo. Is this the first impression you want to make? You need to make sure that they can visualize living there, without your teddy bear collection and family photographs! You may not get a second chance.

## Clean as a Whistle...Neat As a Pin

Before you list your home, use this handy checklist to make sure your property is neat and tidy from top to bottom, inside and out:

### General

Keeping your home in ready-to-show condition is hard work, so ask the whole family to pitch in. The best strategy is to clean up immediately after meals, pick up the paper as soon as it’s been read, make the beds as soon as they’re empty...you get the idea. Turn on all the lights right before the showing so every room looks bright and fresh.

- Carpets cleaned and floors mopped.
- Windows washed.
- Burned out light bulbs replaced.
- All appliances clean and in good repair.
- Doors and windows close smoothly and noiselessly.
- Walls washed or repainted, preferable in neutral shades.
- Wallpaper removed.

### Kitchen

This room is the heart of the home so keep it spotless at all times.

- Dishes washed and put away.
- Countertops nearly empty of “stuff” including small appliances.
- Cooking smells eliminated
- Fresh table cloth.
- Fresh flowers or a pretty plant might be nice.
- Clean out all cupboards.
- Clean the oven and refrigerator.
- Organize the under-sink area.
- Empty the dishwasher.
- Remove kid-art and magnets from refrigerator.



# Scrub a-Dub-Dub....

## Dining Room

Help your buyers imagine Thanksgiving Dinner or a special event here.

- How about a pretty, seasonal place setting on the table?
- Fresh flowers and candles a good go too.
- Open the curtains.
- Clean the chandelier.

## Bedrooms

- Take down posters or kid's art work.
- All beds should be neatly made.
- Open curtains and let the sun shine in.
- Closets cleaned out and organized.
- Toys out of sight.
- Pillows plumped.
- Dust bunnies removed.

## Basement

- Furnace, water heater, etc. in good repair?
- Eliminate signs (and smells) of moisture.
- Have a moving sale to get rid of all that stuff!
- General cleaning.

## Garage

- Stash the trash.
- Dump the junk.
- Sweep and organize.
- Is the garage door in good repair?
- Take cars out of the garage to make it look extra roomy.

## Exterior

Take a look at your home from the street. Try to see it from the buyer's point of view. Walk up to your front door. Does it look like it needs work? Unless you want to price it like a fixer-upper, you'd better get busy.

- Paint or clean siding and trim.
- Clean out gutters.
- Wash exterior fixtures.
- Replace any burned-out bulbs.
- Wash windows.
- Sweep away cobwebs from entry areas.
- Replace or repair damaged screens.
- Put out the "Welcome" mat.

## Living/Family Room

- Fireplace cleaned out, clean birch logs on the grate.
- CD's neatly stored.
- Excess magazines removed.
- Entertainment center closed and cords hidden.

## Bathrooms

These rooms can make or break your sale if they've got signs of rust or mildew, scrub, scrub, scrub. And remember, buyers will look in every drawer and turn on every faucet, so be prepared.

- Clean out the medicine cabinet.
- Clear off the counters.
- Shine those mirrors.
- Check for water under the sink.
- Scour, scrub, polish, shine.
- Try an automatic room deodorizer.
- Would a fresh shower curtain liner help?
- Store toiletries neatly under the sink or in a drawer.
- Repair drippy faucets.
- Do tub or sink areas need new caulking?

## Lawn and Garden

- Mow and trim the grass.
- Edge sidewalks and drives.
- Pull all weeds; remove spent flowers.
- Rake up leaves and grass trimmings.
- Plant flowers.
- Trim shrubs.
- Pick up children's toys.
- Sweep sidewalks.
- Remove hoses, sprinklers and garden tools and store away.
- Clean out the bird bath.
- Pick up after pets daily!

# Spread the Word!



{Advertising can work for YOU}



Now that you've got your property looking its best, you've really got something to crow about, so spread the word far and wide. The more people who know your home is for sale the better. If you're using a Realtor<sup>®</sup>, the advertising and marketing of your home will be taken care of for you, just as he or she spelled it out in the marketing plan. So relax and let your Realtor<sup>®</sup> spread the word. It's what Realtors<sup>®</sup> do best.

To sell the home yourself, use these ideas to get the word out.

**Classified Advertising**—Run an ad in the classified section of your local paper at least once a week. (Sunday papers are best if your community still has one). Include a brief description of the home and its setting, what makes it special and your list price. Use bold type and headline the ad, “For Sale By Owner”.

**Display Advertising** - When it's time for an open house, think about running an ad with a picture of your home. Photograph your home-showing its best details. Putting it up on a big site such as MLive.com will reach across the state and out of state as well.

**Cyber Advertising** - The Internet lets you tell the world about your beautiful home – including the people who may be considering a move to this area. If you are comfortable “surfing the “net””, post your home on local real estate bulletin boards and check out real estate sites. Prices vary to list your home in these areas...some are even free!

**Signs** - Pick up an off-the-shelf sign at your local hardware store, add your phone number and the words “By Appointment Only” and place it in your front yard. Better yet, have a local sign company create a larger, more attractive sign for you.

**Flyers** - Use photos to create a flyer to promote your home. Include as much information as possible. Post it in grocery stores, hardware stores, etc. Don't forget to send copies to your friends and neighbors. They may already know someone who would love your house!



**With so much on your mind, the last thing you want to worry about now is the closing. Liberty Title's focus on customer service eliminates errors and prevents delay or problems at closing.**

# Show time!



{Ten tips for a terrific open house or private showing



*No* matter how you've chosen to sell your home, the open house is one of the most important steps in the selling process. Most of the pointers below will help you set the stage, whether you're working with a Realtor® or selling the home yourself. For a private showing, you won't need the Open House signs (#9), but otherwise, think of it as a mini open house.

- 1. Clean it. Then clean it again. We cannot stress enough how important it is to have your home looking its very best, particularly in the kitchen and bathrooms. Use the sniff test throughout the house...and take your room deodorizer with you.*
- 2. Light it. Open the curtains and turn on the lights...every light...make it look warm, cheerful and inviting. Don't forget to turn on closet and basement lights as well as garage and exterior lights.*
- 3. Give it charm. Add a bowl of ripe, red apples to the kitchen table. Arrange fresh flowers in the master bedroom and place a pretty bowl of potpourri in the bath. If its wintertime, how about a fire in the fireplace? Do anything you can to help buyers imagine life in your home. Be careful about using strong smelling candles or deodorizers that could turn off buyers (they may not like the smell of vanilla)!*
- 4. Keep it cool...or cozy. If it's a hot day, turn on the air conditioner. If it is snowy and blowy outside, dial up to a cozy 72 degrees. If the house is comfortable, buyers will stay longer...and you can show them how well the heating or cooling system works!*
- 5. Remove Spot. For the open house, the pets simply have to go. Barking dogs, kitty litter and pet odors are instant buyer turn-offs. Do not surprise buyers with Spot when they open the patio or garage door!*
- 6. Quiet down. Eliminate anything that might distract your buyer. That includes stereos, radios, noisy appliances and television sets.*
- 7. Make it appetizing. Put your apron on and fill your home with the irresistible smell of fresh-baked cookies or muffins. (Refrigerator cookies work great when you're in a hurry)! If you are a good cook, place a pretty platter of goodies on the kitchen counter with a "Help Yourself" note.*
- 8. Play it safe. Take valuables such as jewelry, cash, prescription medicine or small art objects out of the house and store them in a safe place. Stow breakables that visiting children might be tempted to explore.*



# Show time.....



9. *Make it easy to find. Large, colorful signs should be placed at intersections leading to your home. Use directional arrows to point the way. Balloons attached to the signs can also help direct traffic and may grab the attention of additional buyers. And don't forget the OPEN HOUSE sign on your front lawn.*
10. *Make yourself scarce. If you are working with a Realtor<sup>®</sup>, leave the house--and the hosting duties to him or her. If you're selling the home yourself, DO NOT give a guided tour of the home or follow your guests about. Have a reception book handy and ask everyone to sign in. This will help with security and follow up if someone is interested. When buyers arrive, welcome them and point out property lines, if appropriate, and then let them explore the home on their own. Invite them to "feel free" to open cupboards, look into closets or ask questions.*

*Tip:* Be ready in case your open house results in an offer! Have multiple copies of your ["Purchase Agreement"](#) form ready (available on this site in the "forms" section) or you can use your attorney's forms, or, if you're working with a Realtor<sup>®</sup> they will have a fistful ready to go!

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**Your home is unique. That's why Liberty Title has taken a customized approach to each of the 100,000+ title policies we've written over the years...and that is why we treat every closing like a very big, very special event!**

# You've got an Offer!



{Take it or leave it?}



Even the most tempting offer should be viewed with caution. Whether you're working with a Realtor® or not, it's important to understand all the nuances of price negotiations, inspections, contingencies and more. This guide gives you an overview of what happens when...and what you should or shouldn't do.

## The Offer

When you get an offer, your options are to 1) accept the offer and its terms; 2) reject the offer; or 3) counter the offer with a price and terms that are more acceptable to you. Consider these issues before you make a decision:

### Is the offer fair and reasonable?

If you are being offered an amount close to your list price, draw up the purchase agreement and get a signature! If not, consider how long your home has been on the market and how much interest you've had up to this point. If you've just listed, you can afford to bargain. If your home has been on the market for some time and you've had little or no activity, perhaps you should reconsider your price?

Try to give the impression that you're in no hurry and that you can afford to wait for a better offer. Ask for a few days to consider the offer. But, even if you're desperate, never, ever, let the buyers (or their Realtor®) know it. They'll use the information to their advantage during negotiations.

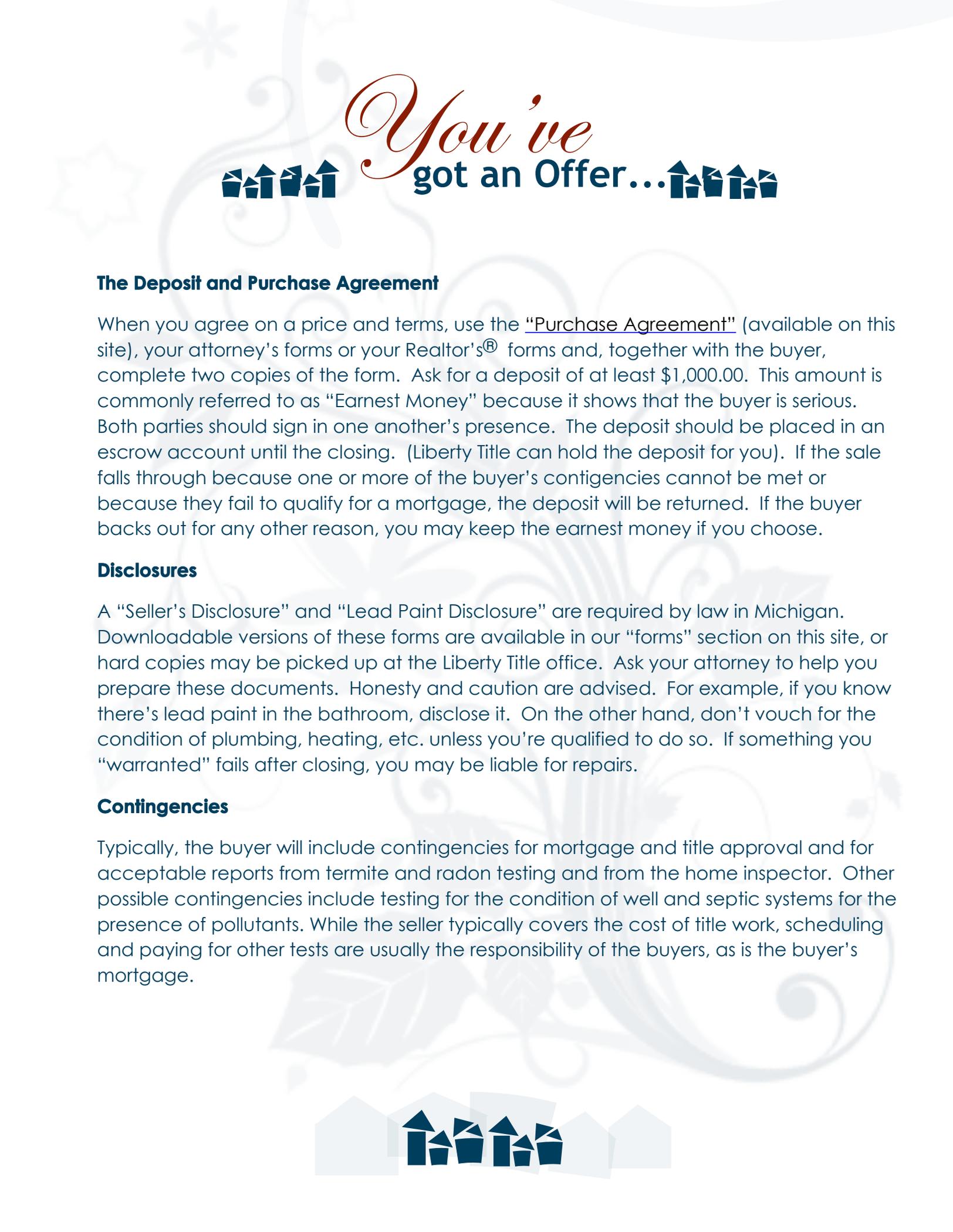
### Are the other terms of the offer (contingencies, time periods, etc.) reasonable?

This is a question best answered by your attorney. Ask for a few days so that your attorney can review the offer to make sure its terms are fair.

### Can the buyers afford your home at this price? Will they be able to qualify for a mortgage?

Before you accept the offer, ask the buyers if they've been pre-qualified by a mortgage lender. Although they are not required to provide you with their buying "credential", you're not required to accept their offer either. Explain to the buyer that once the offer is accepted, your home will be off the market until closing and that you are simply protecting yourself. If the buyers are serious, they should have no problem providing you with the necessary information.





# *You've* got an Offer...

## **The Deposit and Purchase Agreement**

When you agree on a price and terms, use the "[Purchase Agreement](#)" (available on this site), your attorney's forms or your Realtor's<sup>®</sup> forms and, together with the buyer, complete two copies of the form. Ask for a deposit of at least \$1,000.00. This amount is commonly referred to as "Earnest Money" because it shows that the buyer is serious. Both parties should sign in one another's presence. The deposit should be placed in an escrow account until the closing. (Liberty Title can hold the deposit for you). If the sale falls through because one or more of the buyer's contingencies cannot be met or because they fail to qualify for a mortgage, the deposit will be returned. If the buyer backs out for any other reason, you may keep the earnest money if you choose.

## **Disclosures**

A "Seller's Disclosure" and "Lead Paint Disclosure" are required by law in Michigan. Downloadable versions of these forms are available in our "forms" section on this site, or hard copies may be picked up at the Liberty Title office. Ask your attorney to help you prepare these documents. Honesty and caution are advised. For example, if you know there's lead paint in the bathroom, disclose it. On the other hand, don't vouch for the condition of plumbing, heating, etc. unless you're qualified to do so. If something you "warranted" fails after closing, you may be liable for repairs.

## **Contingencies**

Typically, the buyer will include contingencies for mortgage and title approval and for acceptable reports from termite and radon testing and from the home inspector. Other possible contingencies include testing for the condition of well and septic systems for the presence of pollutants. While the seller typically covers the cost of title work, scheduling and paying for other tests are usually the responsibility of the buyers, as is the buyer's mortgage.





# You've got an Offer....



## Repairs

If any of the inspections point out needed repairs or structural trouble, you can negotiate the cost of repairs with the buyer. You may wish to reduce the sale price to cover the cost and let the buyer handle the repairs after the closing...or take care of the repairs yourself in order to keep the selling price as high as possible. Either way, document the agreed upon repairs and include signatures from both parties. And remember, you are not obligated to make repairs; you can return the buyer's deposit, put your home back on the market and wait for another buyer.

*Tip:*

If you and your buyers are working without real estate agents, be prepared to help them by telling them what they need to do. You may also want to suggest names of inspectors, lenders, etc.; your attorney should be able to provide referrals.

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**From the moment you accept the offer to the day of closing, you'll be faced with many things to do. It's nice to know that you can count on Liberty Title to handle all of the closing details for you!**

# Sold!

 {How to Close the Deal.} 

As soon as all of the contingencies have been satisfied and the mortgage has been approved:

1. Call Liberty Title and set your closing date.
2. If you are still living in the house, schedule the movers.
3. Contact your utility providers to stop service. You may want to transfer service to the buyer's name to prevent expensive "reconnect" fees.
4. Put up a "Sold" or "Sale Pending" sign. Don't take down your "For Sale" sign yet...real estate deals have been known to fall through!
5. Unless other arrangements are made with the buyer, vacate the property on or before the closing date. Buyers expect the home in "broom clean" condition and you may want to give yourself a day or two to "clean up". They will want to make a final walk through to make sure that the home is undamaged.
6. Make sure you've removed all personal property and you are in compliance with any agreed upon "fixtures" (Items that you have agreed will stay with the house). Fixtures usually include appliances, curtains, lighting fixtures, lawn equipment etc.

**To make your closing smooth and trouble free, follow these simple guidelines:**

1. Take along picture identification for everyone who will need to sign documents.
2. Double check the time and location of the closing.
3. Call ahead to get an accounting of your final closing figures.
4. Bring your attorney or make sure that he or she is standing by in case any last minute questions arise.
5. Take your spouse or other joint property owners to the closing.
6. Hire a baby-sitter for the children. You'll need to give your full attention to this important meeting.



# “ “ We Hope...

.....this guide book has helped you make some important decisions about the sale of your home. If you have additional questions or need recommendations for Realtors® or Attorneys, please give us a call toll free at 855-343-8830 or directly contact any of our locations below. We are here to help you any way we can.

**If you've decided to list your home with a Realtor®, insist on Liberty Title for all of your title work and closing needs. You have a right to choose your title company by Federal Law. We are not owned in part by any Lender or Real Estate Company. We act as an independent title agent.**

**When it's time to close the deal, you'll need just the right atmosphere: relaxing, inviting and efficient. At Liberty Title, we work hard to make our offices convenient, our closing rooms comfortable, our transactions confidential and our service extra friendly!**



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THE CLOSING AND TITLE EXPERTS.

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