



DREAM BUILDERS REALTY

GUIDE TO SELLING YOUR HOME

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THE SELLER'S GUIDE TO REAL ESTATE JARGON



Selling a home involves not only several steps but plenty of industry jargon related to those steps, too. We thought you might be interested in learning the meaning of the real estate related terms that you will inevitably come across while selling your home. Keep this list handy for when you're ready to put your home on the market.

Comparative Market Analysis (CMA)

This is an evaluation of similar, recently sold homes in the same area as your home. A CMA provides the current market value of your home and is prepared by your REALTOR® when pricing your home.

Multiple Listing Service (MLS)

The MLS is a database of properties created for and by real estate brokers for the purpose of sharing listings with one another. Why is it important to you? When hiring a REALTOR® that is a member of the MLS, you are ensuring your property will be listed in the database - meaning other members (brokers and agents) will be able to share your home with their customers, too. You never know who might be looking for a home just like yours!

Broker Price Opinion (BPO)

A BPO is the estimated value of a property as determined by the real estate broker or another qualified individual or firm, and typically takes place when a seller is doing a short sale of his/her home. A BPO is based on the characteristics of the property being assessed.

Escrow

This is the "trust account" where all funds associated with the real estate transaction are held. These highly regulated accounts are created to ensure your funds are accounted for and protected at all times.

Earnest Money Deposit (EMD)

This is the deposit the buyer will make when submitting an offer on your home. Sometimes referred to as a "Good Faith Deposit," it is intended to show the buyer's commitment to the transaction. This is also an important part of the transaction as the seller may have a claim to the deposit if the buyer defaults on the purchase.

Title

When most people think of a "title," they think of President, Principal, Doctor, and so on. In real estate, the term has a completely different meaning. You will typically hear it referenced when discussing your closing and the costs associated with title insurance. Generally, it refers to your ownership in the property and who has owned it prior to you.

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Settlement Statement

The settlement statement is used to itemize the fees associated with your real estate transaction. It is one of the last documents prepared in the closing process but, as a seller, may be one of the most important as it shows the net proceeds you will walk away with after closing.

Closing

The closing represents the conclusion of your real estate transaction. This will be the culmination of the entire process. This is when

the money associated with the sale is transferred from the buyer to the seller, and the deed (ownership) of the property is transferred from the seller to the buyer.

While selling your home can be a complex process, working with a knowledgeable REALTOR® can help to ensure everything goes as smoothly as possible. Your REALTOR® will help you understand your transaction from beginning to end. Brush-up on these real estate terms, and you'll be better prepared for each step along the way.

THE 12 STEPS INVOLVED IN SELLING A HOME

When a home is placed on the market, sellers want to know, "How long will it take before someone buys it?" The short answer is that we know the average timeline for selling a home. The long answer is that each transaction is different.

There are about 200 steps your REALTOR® will take when selling your home, but we've consolidated them into twelve steps. Working with a REALTOR® who really understands these steps will put you in the best position possible to sell your home and may give you a better understanding of what's to come once you decide it's time to put your home on the market.

Step One: Find a Knowledgeable REALTOR®

Selling a home is a big decision and doing so is more labor-intensive than just putting a "for sale" sign on your front lawn. Just like you wouldn't want to invest a large amount of money in the stock market without the advice of a reputable financial advisor, you shouldn't sell your home without a knowledgeable REALTOR® on your side. Choose a REALTOR® who has knowledge about the area, including upcoming developments in your desired neighborhood, and one who has plenty of experience. You want a REALTOR® who can get you the best results possible, and one whose reputation for results will set your listing apart.



Step Two: Understand the Market

As mentioned, every transaction is different, and the same applies when gaining a clear understanding of how the real estate market is performing. Is it a buyer's market or a seller's market; is there a change on the horizon that will impact (good or bad) market dynamics; what trends are taking place with interest rates and financing; and what aspects of public policy are impacting the national, state, regional or local real estate market? All of these are vital factors to know and understand when considering making such an important financial decision – working with a professional that genuinely understands each aspect is imperative to your success.

THE 12 STEPS INVOLVED IN SELLING A HOME

Step Three: Position Your Home to Get Results

How you "position" (price) your home is one of the most important things to consider when selling real estate. Overpricing your home ensures a lack of activity, creates a negative perspective from ready, willing and able buyers, prolongs your time on the market (which impacts your profitability), and increases your level of frustration with a process that should be enjoyable. Likewise, underpricing your home means you leave your hard-earned money on the table for the taking, creates an opportunity for confusion, doubt and remorse to set in during and after the sale, and tells prospective buyers you aren't working with a qualified, competent real estate professional – which can wreak havoc on your negotiations. Remember, the key is balance. You want to make sure your home is positioned properly, which means it will be both appealing to buyers and will give you the best return on your investment.

Step Four: Deploy a Comprehensive Marketing Plan

You've got all the pieces you need to start marketing your home – great photos, engaging descriptions, and a listing that's sure to attract potential buyers. Now what? More than ninety percent of home buyers will search online at some point during their home search. It's important to meet potential buyers where they are. This means you'll need to create an online strategy that ensures your listing performs well. No, we don't mean just uploading your listing onto a popular real estate website where it can get lost in a sea of homes.

Here's where your REALTOR® will do the legwork for you by highlighting your property on their website, through social media, via online advertising and so much more. The key is drawing buyers to your listing while they're deciding which houses they'd like to see in person, and a tech-savvy REALTOR® will make sure they view your home as one they can't miss.

Step Five: Screen and Coordinate Showings

Your real estate professional has properly positioned and marketed your home, and now interest from potential buyers is pouring in. This is great, but how do you ensure only qualified buyers are viewing your home and your safety and security are being preserved? Oftentimes, this very important part of selling a home is overlooked and not really considered by a seller until the process begins to unfold. Your REALTOR® should have a clear and consistent plan on how they manage leads, efficiently route them to the appropriate team member, qualify and screen them and, ultimately, work with you on when and how to best coordinate viewings of your home. This process involves everything from state-of-the-art technology, to a keen understanding of the right questions to ask prospective buyers, to effective communication with all parties and, of course, an understanding and respect for you, your home and your safety.



THE 12 STEPS INVOLVED IN SELLING A HOME



Step Six: Negotiate an Offer

A home buyer has decided your home is the one they want to pursue and now's the time to negotiate. The importance of this part of the process cannot be overstated. Many times people think of price when they think of negotiating; however, in a real estate transaction, there is so much more to consider, negotiate and navigate to ensure a successful conclusion to the process. Working with a skilled and tactful negotiator on your side is a must! Your home is an incredibly valuable asset, and you need an expert on your side to negotiate a contract that will bring you the best price, with the best terms and the least amount of legal liability – now and down the road.

Step Seven: Execute Your Contract

After you've worked with your REALTOR® to negotiate favorable terms, it's time to execute your contract. During this stage, it's important

to make sure all parties understand the terms of the agreement; not just the agreed upon sale price, but also details like contingencies, inspections, title implications, and who will pay for which closing costs - among many other aspects of the contract. Remember, the contract is the agreement between you, the seller, and the buyer and it is the document that sets the ground rules for how to move forward with the transaction.

Step Eight: Inspections

For buyers, due diligence is key! During this stage of the process, the buyer will conduct a series of inspections to ensure the home meets their standards and expectations. There are a plethora of inspections that can be conducted and, as the seller, you will want to ensure you understand the impact each inspection can have on your sale. Your REALTOR® will work to have everything properly arranged and coordinated. If all goes well, this will be a major milestone in the process. If problems arise, you will want to have an experienced and competent REALTOR® on your side to navigate the complexities associated with less than desirable results.



#ProTip: Everyone thinks their home will pass an inspection with flying colors. However, you may be surprised at the level of scrutiny and detail that goes into the various inspections conducted. Be calm, understanding and patient.

THE 12 STEPS INVOLVED IN SELLING A HOME

Step Nine: Plan Your Transition

As your transaction continues to clear major milestones, don't forget to consider all of the details required to successfully plan your transition to your new home. Believe it or not, this part of the process can often be overlooked and can become a major source of stress and anxiety in a move. A seasoned REALTOR® will have helped many people through this process and can serve as a great resource for you.

Step Ten: Conditional Loan Approval

Most homes are purchased with some type of financing and chances are your buyer will be obtaining a loan, too. It is important you know about the hurdles your buyer has to overcome to receive the coveted CLEAR TO CLOSE from their lender. Likewise, there is a very important term in your contract you will want to pay close attention to - it is the Conditional Loan Approval deadline. Sadly, most lenders don't pay attention to this important provision of the contract and, as the seller, that leaves you at a disadvantage. It is imperative you understand this time period in the contract and know what it means to your transaction if it isn't achieved.

Step Eleven: Title Commitment

Before transferring the deed of your home to its new owner, you will be required to show there is a clear title to the property. Customarily, the seller will have a title search and examination conducted by a qualified professional to determine if the property has a clear, marketable and equitable title.

At that time, a title insurance company will be willing to insure the title against defects and future claims and will issue a title commitment outlining the terms of the policy. Although very few people think about this part of the transaction, it is a vital step in the process and can make or break any real estate transaction.

Step Twelve: Time for Closing!

You're not done, just yet! Bear in mind, before the closing takes place, the buyer will likely conduct a final walk-through of the property. At this time, they are verifying that the property has been properly maintained since the time of contract, that all contractually agreed upon personal items, including appliances, are still in the home, and that they are getting what they agreed to purchase from you some 30 to 60 days earlier. From there, we finally get to the closing table and can actually begin the formal process of closing on your home.

Phew! Although this is a summary, you can see there is a lot that goes into selling a home. By working with a knowledgeable REALTOR® and understanding these twelve steps, you'll be on your way to an enjoyable home selling experience.

4 THINGS TO CONSIDER IF YOU RECEIVE A LOWBALL OFFER



The time has come to sell your home and you thought the full-price offers would come pouring in the moment it hit the market. While a qualified REALTOR® will work on your behalf to negotiate an offer that is at or above your asking price, not every offer you receive will meet your expectations. Sometimes you will be presented with what's known as a lowball offer, or an offer way below your asking price. When met with this dilemma, you may feel like you should dismiss the offer right away.

Here are a few things you should consider before rejecting a lowball offer.

Is this offer really low or are you priced too high?

A lowball offer may feel like the wind has been taken out of your sails. You may think, "My home is worth so much more than that, right?" If you receive more than one lowball offer, it might be an indication that your home may be priced too high. Look at comparable properties

and work with your REALTOR® to price your home appropriately. Now is the time to take a hard look at what your property has to offer in relation to other homes. This can be difficult as it is your home – it's special to you. But remember, many times the buyer's first offer isn't necessarily their bottom line.

What contingencies are involved?

Although the initial offer is lower than you expected, take a look at the whole offer before you reject it. If the buyer is requesting contingencies such as having you, the seller, pay a portion of their closing costs in addition to accepting a lowball offer, it may not be an offer you want to accept. On the other hand, if the offer holds no contingencies and is set to close on your preferred closing date, it may be worth taking seriously.

Have other offers been rolling in?

You may not pay much mind to an offer that is considerably lower than expected if you have other offers that are closer to your list price. But if you haven't received other offers and your home has been on the market for an extended period of time, you may want to ask yourself why. Looking back at your initial list price, it may be time to reevaluate and adjust your price to make your home look more appealing to potential buyers.



#ProTip: Depending on the price of your home and the current real estate market, what is considered a "lowball offer" will vary. Consult with your REALTOR® before you decide to reject an offer.

4 THINGS TO CONSIDER IF YOU RECEIVE A LOWBALL OFFER



Should you be willing to negotiate?

Remember, your goal is to sell your home at a price that gives you the best return on your investment. Although receiving a lowball offer may seem offensive, you have to remember the buyer's goal is to buy a home at the lowest possible price. These conflicting interests can cause frustration. On average in Central Florida, a home will be sold for 95% of the list price. A REALTOR® who is a skilled negotiator will know how to manage this process.

Oftentimes, it's smart to at least make a counteroffer before declining an offer you deem to be too low. When you counter with a price that you are willing to accept, just know this can become a tennis match. It's truly up to you how long the negotiation process will last.

Nothing says you have to accept a lowball offer. Take into account the questions above and how they relate to your scenario. Being the homeowner, the ball is in your court!

HOME IMPROVEMENTS THAT GIVE THE BEST RETURN ON INVESTMENT



Before you place your home on the market, a few improvements might be in order. However, not all home improvements are created equal. If you're thinking about making home improvements, you should get solid advice from your REALTOR® to ensure the projects you have in mind will pay for themselves in the end.

There are a handful of projects that will not only pay for themselves in the long run but will sell your home when the time comes. Here are a few home improvements that we recommend that will give you the best return on your investment.

Paint your house.

A fresh coat of paint can go a long way, and that goes for the interior or exterior of the home. If you're going to give your home a facelift with a new paint job, this would also be the best time to go neutral with your paint. Choose colors that are calming, not jarring, to attract potential buyers.

Overhaul your yard.

Your yard is one of the first things potential buyers will see, so make sure you're ready to wow them. There is probably more to do than you realize when it comes to your yard. Pressure washing the exterior of your house, your driveway, patio, and sidewalks will make a big difference. Trimming the shrubs under your front windows or cutting down low-hanging branches from your oak tree will help with your curb appeal. Add some new flowers and mulch in your planters, and you'll be set.

Replace your old carpets.

You may not realize this, but most professionals say that carpet only has a lifespan of about ten years. Before your REALTOR® schedules showings with potential buyers, make sure your carpet isn't a distraction to potential buyers. Have small kids or pets? Wear and tear on your carpet might be more obvious than you think. Lucky for you, carpet is probably the least expensive flooring you could go with when re-flooring your home and it's a great way to make a big impact.

Tackle small projects.

Have you been meaning to replace your old mailbox? What about fixing the slats on the fence in your backyard? There are a myriad of small projects that have probably been piling up on your home to-do list, and checking off as many of them as you can before selling your home will help your home stand out against the competition. You don't have to spend a lot of money, or time, to make an impact on how your home shows to others.



6 THINGS YOU DON'T WANT TO FORGET TO DO AFTER YOU MOVE

The days leading up to closing can be filled with a whirlwind of emotions and a mile-long list of tasks you need to do. Here are a few things that you'll need to add to your post-move to-do list.

Forward your mail.

You'll want to make sure you've had your mail set-up to forward from your old address to your new address. You can do this for short- or long-term moves, so whether you've purchased your forever home or are taking up residence in something more temporary, your mail can follow you.

Update your driver's license.

Did you know that you only have ten days to update your address on your driver's license in order to comply with Florida law? You can do this a number of ways. Choose the one that is most convenient for you:

- Online
- By mail
- Visiting your local driver's license office

Apply for homestead exemption.

In the state of Florida, every person who has legal or equitable title to real estate and maintains it as his/her permanent residence can apply for and receive up to a \$50,000 homestead property exemption. A partial exemption may also apply if the ownership of the applicant is less than 100% of the property. The homestead exemption due date is always March 1st of the calendar year.

Update your online accounts.

Many accounts can be accessed via the internet, including your bank account(s), credit



card(s), online services (like Netflix or Hulu), and so on. There's not much you can't do from your computer these days! Make sure your billing address is updated on all of your online accounts.

Update your professional licenses.

For some people, this may be an afterthought, but for a REALTOR® like myself, updating my real estate licenses with my most current address is key. Other professions (medical, insurance, beauticians, educators, etc.) that require licensing fall under this category, too.

Share your address with others.

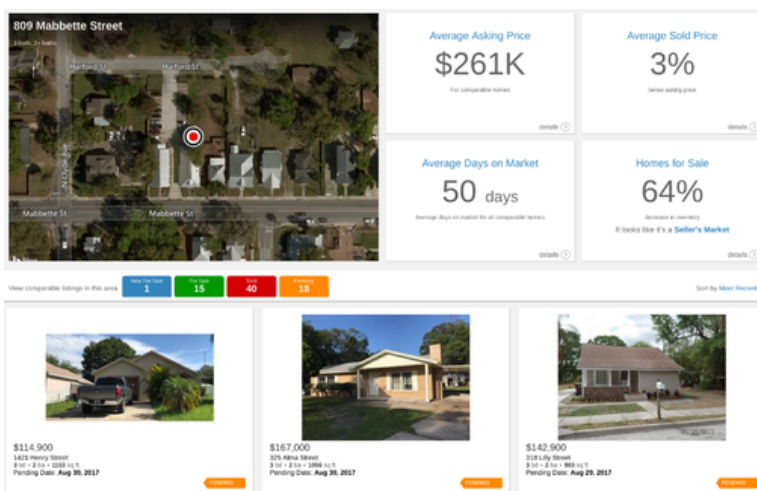
This is a fun step. Time to get out your camera and take that family photo on the front porch of your new house! With this done, you can order your "We've Moved!" notecards and get them mailed out to all of your family and friends.

We hope these tips will help you after your move!

WHAT'S THE VALUE OF YOUR HOME?



A knowledgeable home seller has a competitive edge in today's real estate market. Be an expert in your neighborhood with a personalized Neighborhood Home Value Report.



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