

1 Inquiry About Selling

Although some discussions about selling originate from a licensed agent contacting a property owner, most property owners contact a specific agent or firm to indicate their interest in selling. At this point, the agent obtains seller names, contact information, and basic property details. It is also during this step that an appointment is scheduled to meet the seller and/or tour the property.

2 Initial Consultation

During this meeting (by phone or in person), the agent will view the property, discuss the seller's needs and expectations, and basically have the opportunity to learn more about each other.

3 Listing Proposal

The agent will provide the seller a listing proposal that can range from a basic proposal to a very elaborate one. This depends on the nature of the sale, the seller's expectations, and the type of property needing to be sold. Said proposal will contain a recommended price range based on comparable sales over the past 6-12 months, as well as competing properties currently on the market. It will also include a brief marketing plan, which outlines the primary marketing efforts to be used in exposing the property.

4 Listing Agreement

If the seller and agent are able to reach an agreement on a list price and marketing terms, and wish to work together, a written listing agreement shall be drafted and signed by the seller and the broker of the listing firm. This agreement is also known as an Exclusive Authorization to Sell. It outlines the list price and terms of the listing period such as the brokerage fee, length of the agreement, etc.

5 Gather Necessary Property Data

While some property information is obtained prior to the listing proposal, there is usually additional information that needs to be assembled in order to effectively market the property for sale. The seller may provide the agent with some of the needed data, but the agent typically gathers majority of the data. This includes a plat of survey, deed, lien information, septic/soils data, construction details, zoning information, measurements, photos, etc.

6 Implement Marketing Plan

Good real estate agents know that real estate marketing is developed for one primary purpose... to generate an inquiry...period. During this step, the listing agent will carry out the primary marketing tasks, as outlined in the listing proposal, including writing property descriptions, entering property data and uploading photos to the MLS and numerous websites, installing For Sale signs, etc.

7 Receive Inquiries and Provide Information

Inquiries come from other agents as well as potential buyers. Information provided can range from a simple answer about the list price to detailed information about zoning, construction details, neighborhood information, financing, and much more. Said inquiries can originate from For Sale signs, online marketing efforts, printed advertisements, word-of-mouth, etc.

8 Show the Property

Most buyers will try to look for properties without contacting an agent – by getting as much information as they can from the Internet or by doing a drive-by inspection. However, having an agent show it to them definitely has its benefits. The agent walks potential buyers through the specific features of the property, giving them a better feel of the property and highlighting how it satisfies their needs and wants. The agent also addresses any questions or concerns that they may have about the property, the neighborhood or the buying process in general. Buyers can arrange for a private showing of the property, either with the listing agent or with a separate buyer-agent.

9 Review Activity and Make Necessary Adjustments

The listing agent can evaluate the number of online views for the property as well as the number of in-person showings and make recommendations to the seller as to whether the list price needs to be adjusted or not. Often times sellers think a lack of interest is due to poor marketing, and sometimes it is, but in most cases the lack of buyer interest has to do with the price being too high. If necessary, marketing adjustments can be made in an effort to better expose the property to more potential buyers. Feedback from other agents as well as prospective buyers is valuable in determining whether price adjustments should be considered.

10 Follow-up on Previous Inquiries

If a change has been made that might be attractive to buyers, such as adjustments to the list price or selling terms, the agent will notify past inquirers of such adjustments in an effort to induce interest and urgency.

11 Write the Contract

Once the buyer has indicated that they wish to purchase a specific property, the next step is to submit a signed purchase agreement and an earnest money deposit to the property seller. The purchase agreement, or contract, contains the names of all buyers and sellers, the legal description of the property, the price, financing arrangements, closing date, as well as any other terms and contingencies the buyer needs to have in the contract. The price in the contract is based on recent, comparable sales, as well as the buyer's level of comfort and budget. Financing, home inspections, repairs, study period, and approvals to use/change the property for a specific use, are the most common contingencies written into a purchase agreement. Although a buyer can offer a property owner any price and terms, the seller does not have to accept the offer. A ratified contract exists when the buyer and the seller have reached an agreement on price and terms. Prior to the purchase agreement being fully executed by both parties, it is simply considered an "offer" or a "counter-offer" (a response to an offer).

12 Work Through Contract Contingencies

Once there is a ratified/executed contract, the buyer's agent will guide them through the contingencies noted in the purchase agreement. Once all contingencies are met and are satisfactory to the buyer and their lender, and agreed upon by the seller, the contract will then be amended to release the conditions. There may be multiple parties involved in fulfilling the contract contingencies – the loan originator, loan processor, loan underwriter, appraiser, home inspector, engineer, county building/zoning official, soil consultant, septic inspector, termite inspector, contractors, and others. There may be instances where the contract contingencies cannot be satisfied, or problems arise in the process (e.g., title and/or survey problems, major construction problems, etc.) that cannot be cured to meet the approval of all parties. If this happens, the contract shall be terminated and the property, in most cases, will be placed back on the market.

13 Coordinate Final Inspections and Tasks Related to Settlement

For most residential properties, there are three standard inspections that need to be completed within thirty days prior to settlement. These inspections include a water analysis, a septic inspection, and a wood-destroying-insect inspection, all of which will be ordered by the listing agent. If the home is served by a public/community water and/or sewer system, the water analysis and/or septic inspection are waived. Unless the lender requires them, these standard inspections can be waived for houses being sold “as-is, where-is”. It is customary for the standard residential inspections to be paid by the seller, and they are not ordered until all other conditions in the contract have been satisfied. For residential properties, buyers typically want to conduct a walk-through inspection of the home to ensure that nothing has changed, except for any agreed repairs, etc., since the last time they were at the property. It is also to make sure that appliances and mechanical systems are working properly, unless agreed otherwise. Once all conditions have been satisfied and all standard inspections are completed without any problems, settlement can then be scheduled. Both the buyer and the seller need to hire the services of a settlement agent or attorney to represent them in the final steps of the transaction. This includes deed preparation, title search, loan document review and explanation, legal questions, etc. They may use the same settlement agent or attorney, or choose different people to represent them. The real estate agent(s) will help coordinate all of the many items and tasks associated with this step and will work closely with the settlement agent(s), attorney(s), and other relevant parties.

14 Closing/Settlement

Title (ownership) to the property is transferred from the seller to the buyer at the time of settlement, once the deed has been recorded. All necessary loan documents, the deed, the settlement statement that shows all expenses, credits, and proceeds, along with any other final documents, are signed at closing to finalize the transaction. If the property being purchased is a home, the buyer may or may not take possession of it on the day of settlement. The date in which the buyer takes possession of the property needs to be included in the purchase agreement. It is not uncommon for the owner to rent back for a few days or weeks after settlement. This helps eliminate the risk of a transaction falling apart at settlement after the seller has already moved out their personal property items. It's also very common for the buyer and seller to sign their respective documents at different times and places, sometimes by mail. Proceeds from settlement can be wired electronically to the seller or given in the form of a check.

15 Post-settlement Tasks

If there are any remaining items to be completed after settlement, the agent can facilitate these items and make certain they are taken care of in a timely fashion. Such items may include repairs (where money may have been escrowed), a final walk-through inspection for cases where the seller didn't vacate the home until after settlement, terminating a home-owner's insurance coverage, and transferring any utilities that haven't already been transferred. It's a good idea not to transfer utilities or terminate home-owner's insurance until settlement has occurred, just in case a last-minute glitch arises and settlement doesn't occur on the date planned.

16 Ongoing Follow-up

Even after the sale is finalized, it is our hope that you, the seller, will allow Bay River Realty the opportunity to assist with any real estate related needs you may have. Anything from a simple referral to a contractor, or your desire to purchase or sell another property, please let us know how we can help. If any of your family, friends, or co-workers needs assistance with buying or selling, we would be most grateful for those referrals as well!