

GUIDE TO SELLING YOUR HOME



Understanding the market in which you're selling will help you make important decisions about your reasons and strategy, timing, asking price, net financial requirements and alternatives.

Understanding Market Conditions

MARKET CONDITIONS	CHARACTERISTICS	IMPLICATIONS
BUYER'S MARKET: The number of homes on the market is greater than the number of potential buyers.	High inventory of homes on the market, fewer buyers compared to availability; Homes on the market longer; House prices tend to drop in this type of market.	Your home may take longer to sell; Seller has less negotiating leverage with respect to selling price.
SELLER'S MARKET: The number of buyer's exceed the number of homes available on the market.	Smaller inventory of homes; Many buyers; Homes sell quickly; House prices tend to increase.	Seller has more negotiating leverage; May incur multiple offers; May obtain a higher selling price on your home.
BALANCED MARKET: The number of homes on the market equal to demand or number of buyers.	Demand equals supply; Homes sell within an acceptable time period, if priced competitively; Prices generally stable.	More relaxed atmosphere; Buyers have a reasonable number of homes to choose from.

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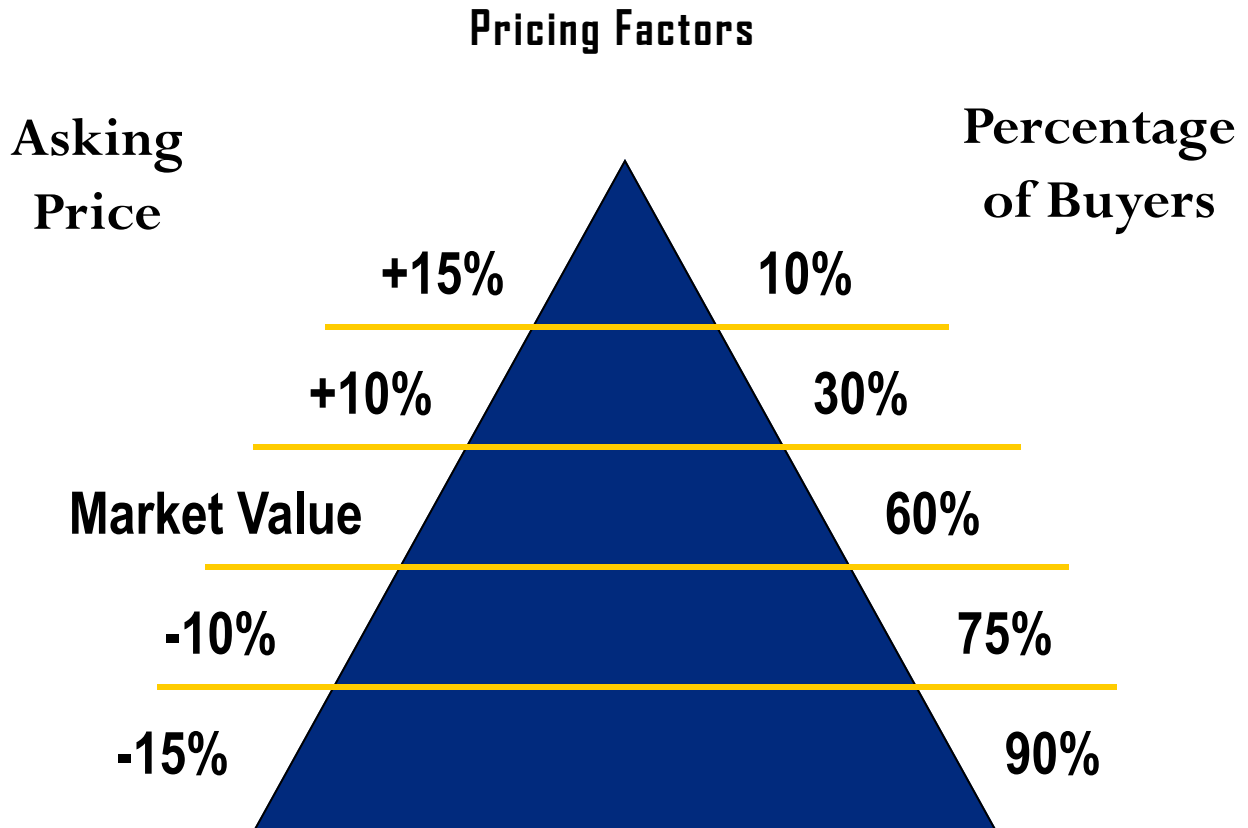


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As the triangle graph illustrates, more buyers purchase their properties at market value than above market value. If you price your property at market value, you are exposing it to a much greater percentage of prospective buyers and you are increasing your opportunity for a sale. The most common reason why a property does not sell is ***“Over Pricing”***.

The single most important decision you will make with your Re/Max West Realty Inc. professional is determining the right asking price for your property.

The benefits of pricing right:

1. Your property sells faster because it is exposed to more qualified buyers;
2. Your home doesn't lose its "marketability".
3. The closer to market value, the higher the offers.
4. A well priced property can generate competing offers.
5. Real Estate associates will be enthusiastic about presenting your property to their buyers.

Determining the Value of Your Home

Prior to comparing your home to similar properties and establishing a competitive listing price, the following points should be considered:

- ⇒ Location
- ⇒ Size
- ⇒ Style
- ⇒ Condition
- ⇒ Community Amenities
- ⇒ Buyer Supply
- ⇒ Financing Options

The MARKET ultimately determines the true value of your property.



The Current Market

A comparative market analysis is an indicator of what today’s Buyers are willing to pay for a home. It compares the market activity of homes similar to yours in your neighbourhood.

RECENT SOLDS:

Those that have recently sold represent what Buyers are prepared to pay.

CURRENTLY LISTED:

The homes currently listed for sale represent the price sellers hope to obtain.

EXPIRED LISTING:

These homes that have expired were generally over-price or not marketed properly.

Your Re/Max West Real Estate Representative will prepare a Comparative Market Analysis “C.M.A.” for your home based on the most current market information.

Factors That Influence Overpricing

1. Extensive renovations/hidden costs;
2. Desire to purchase in a higher priced area;
3. Original cost of home was too high;
4. Lack of real market information;
5. Building in “bargaining room”;
6. Perceived emotional value.

The Result of Overpricing

Many Sellers believe that if they price their home high initially, they can lower it later.

Priced too high—very little activity. Gradually the price will be lowered to market value, but by this time it’s been for sale on the market for too long and Buyers become wary and reject the property.

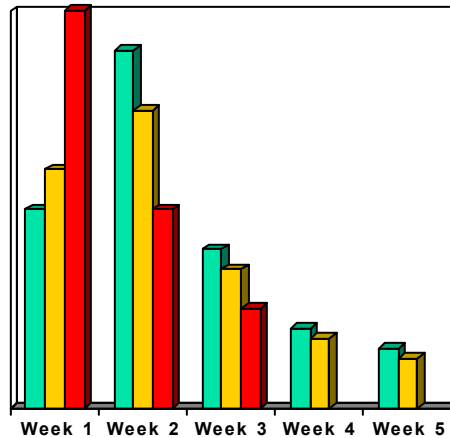
On occasion, the price is dropped below market value because the Seller runs out of time, resulting in the property selling for less than it’s worth.

Importance of Early Activity

As soon as a home comes on the market, there is a flurry of activity surrounding it. This is the crucial time when Sales Representatives and potential Buyers take notice.

If the home is overpriced, it doesn't take long for potential Buyer's to lose interest.

The following graph portrays the type of activity your home will most likely get in the first five weeks.



The Marketing Plan

As your Re/Max West Realty Inc. salesperson one of my key responsibilities will be to implement a marketing plan for your property:

Target people living in your neighbourhood by:

- ⇒ Posting a FOR SALE sign on your property
- ⇒ Arranging one or more open houses
- ⇒ Preparing a flyer or mailer for local distribution

Broader audiences are reached through:

- ⇒ Multiple Listing Service (MLS)
- ⇒ Classified section of local newspapers
- ⇒ Specialized real estate magazines or newsletters
- ⇒ Internet
- ⇒ Networking with associates, past clients and current buyers

The Listing Agreement

The first step to marketing your home is to enter into a Listing Agreement—a formal and legally binding contract drawn between you, the Seller, and the real estate brokerage handling the sale.

1. **LISTING AGREEMENT:** terms and conditions under which you have engaged the brokerage to sell your home includes brokerage's name, seller's name, property address, commencement date, expiry date, price, commission, marketing, signatures, etc.
2. **MLS DATA INFORMATION FORM:** details of your property includes address, legal description, lot size, taxes, type and style of home, exterior & interior details, number of rooms, specific features, chattels and fixtures included in the purchase price, etc.
3. **WORKING WITH A REALTOR:** a detailed brochure explaining "REPRESENTATION"—it is important to understand who the Brokerage works for and to whom the Brokerage is legally obligated.

Preparing Your Home For Viewings

First impressions are lasting impressions. You will want to make sure that both sales representatives and buyers viewing your home are left with the best possible impression.

FIRST IMPRESSION/GENERAL

- House exterior in good repair
- House number easy to read
- Eaves troughs, down spouts and soffits in good repair
- Garage/carport clean and tidy
- Litter picked up
- Cracked or broken window panes replaced

FIRST IMPRESSION/SUMMER

- Lawns cut and raked
- Hedges and shrubs trimmed
- Garden weeded and edged

FIRST IMPRESSION/WINTER

- Snow and ice cleared away from walkways
- Sidewalks sanded or salted

VALUABLES

- Jewelry locked safely away or taken with you
- Valuables such as objects of art, vases and figurines are out of reach, out of sight, or locked away

CREATING ATMOSPHERE

- All lights turned on
- Air conditioner turned on in warm weather
- Fireplace lit in cooler weather
- Closets neat and tidy
- Halls and stairs cleared
- Drapes open during daylight
- Background music playing quietly

INTERIOR MAINTENANCE

- Chipped plaster repaired
- Chipped paint touched up
- Doors and cupboards latched properly
- Squeaky doors oiled

AT THE FRONT DOOR

- Doorbell works
- Door hardware in good repair
- Porch and foyer clean and tidy
- Fresh air in house

KITCHEN

- Sinks and taps clean and polished
- Appliances cleaned
- Countertops neat and polished
- Inside of cupboards and cabinets clean and neat, and not overcrowded

BATHROOM

- Mirrors, fixtures, and taps cleaned and polished
- Leaky taps and toilets repaired
- Seals around tubs and basins in good repair
- Floors cleaned, garbage containers emptied
- Inside of cupboards and cabinets clean and neat
- Towels clean and matching
- Countertops free of personal care items

PETS

- Pets contained or absent during showing

The Offer

Your Re/Max West Sales Representative will walk you through the process. He/she will act as an intermediary between you and the buyer.

Your sales representative is required to inform you of every offer submitted on your property. An appointment will be made with you to discuss the offer.

All offers are to be submitted on a subscribed and current “Agreement of Purchase and Sale” form created by the local real estate board. This pre-printed form has a series of blanks for the Brokerage’s use in detailing the specifics of your property and the buyer’s terms.

If the offer was submitted by a co-operating Brokerage, their sales representative will more than likely present it in a meeting with you and your sales representative.

The sales representatives will walk you through the language of the offer, step-by-step, to ensure the details of your property are listed accurately and that you understand the offer completely.

Once you have reviewed the offer thoroughly, you may choose to ask the sale representative working with the buyer to leave the room so you can discuss things with your sales representative. You may also want some time to think things over and/or discuss them with your spouse.

An offer contains a time limit, and if you fail to respond within the specified time frame, the offer expires.

With any offer, you have three choices: accept it, reject it, or sign it back to the buyer with a counter-offer. Once you’ve made a decision, the sales representative working with the buyer will take the response to their buyer.

If you accept and sign the buyer’s offer, you have formed a legally binding contract to sell your home, subject to any conditions that may be contained in said offer.

If you sign back with proposed changes to the buyer’s price or terms through a counter-offer, the buyer then has the option of accepting your terms, rejecting them or submitting yet another counter-offer. This process of exchanging counter-offers continues until both parties agree completely, or until one of you ends the negotiation.

MAJOR ELEMENTS OF AN OFFER:

1. **PRICE**—depends on the market and what a buyer is willing to pay, generally the price offered is different from the asking price.
2. **DEPOSIT**—often in the 5% - 10% range, and shows good faith on behalf the buyer. This deposit is held in trust usually by the Listing Brokerage.
3. **TERMS**—terms and conditions include price, deposit, conditions on arranging financing for the property, conducting an inspection, etc.
4. **INCLUSIONS & EXCLUSIONS**—include appliances, fixtures, window coverings, etc.—those of interest to the buyer and that which you included/excluded in the listing agreement.
5. **CLOSING OR POSSESSION DATE**—the day the title of the property is transferred to the buyer, and the buyer takes possession and the funds are received by the seller.

