

Closing Costs for the Seller

Closing costs are fees which must be paid at the time of closing, rather than included in the financed amount of the mortgage. While most closing costs are assumed by the buyer, you may also be required to pay some of the expenses. There are a variety of costs that must be paid at closing. Prepaid and escrow items are generally part of these expenses. Other costs can include appraisals, document preparation, termite inspections, tax fees, express services, courier fees, attorney costs, and repair allowances.

Although some states have laws to prevent the buyer from paying for specific items, many of these fees can be negotiated between the parties. It's also important to note, closing costs can vary among lenders, so choosing wisely can lower your up-front costs. Before the actual closing, you should review the closing statement with your title officer, real estate agent, or attorney. You need to be aware that some title companies will only accept a cashier's check for any of your costs at closing.

Lease With Option to Buy

A lease with a purchase option is a lease which includes a clause or statement determining the price of the property if you wish to purchase it. A lease agreement with an option to buy may also set aside a portion of each month's rent as down payment toward the purchase price. Non-refundable option money is paid by the renter to the seller in order to bind the contract. A lease purchase agreement is then signed by both parties.

Listing Agreements

A real estate listing is a written agreement between a property owner and a real estate broker or agent. The owner and the broker or agent together determine the best length of time for a particular listing agreement. Homeowners must consider their own personal needs, while realistically assessing the time necessary for the broker or agent to conduct a sales campaign. Generally, residential property in a stable market can be marketed within three to four months. But owners must consider a longer listing period if their property is on the high end of the price/value line or if special features or circumstances limit the number of interested buyers. Owners should also consider brokers or agents who offer marketing service guarantees, which list all the services the agent will perform to sell the property quickly and at the best price. These guarantees sometimes offer termination privileges if services aren't performed as promised.

Market Value/Analysis

Market value, also called fair market value, is the cash price that a willing buyer and a willing seller would agree upon, given reasonable exposure of the property to the marketplace, full information as to the potential uses of the property, and where neither party is under abnormal pressure to conclude the transaction. Market value is at the heart of nearly all real estate transactions.

Market analysis is what the broker or agent prepares in order to tell you what your house might sell for. The market analysis takes into consideration specifics about your home, such as age and condition, as well as specifics about the neighborhood, such as how much money comparable houses in the neighborhood have recently sold for. It is not an appraisal. An appraisal is performed by the appraiser and determines the value of the property recognized by the establishing mortgage company.

Preparing Your Home for Sale

When you put your house on the market you want it looking its best. To accomplish this, start by making an objective list of all of the problems and an estimate of how much time and money it will cost to fix them. Next, prioritize the list. The most important things to take care of are repairs such as loose shingles or tiles; cracked pavements; broken doorknobs; leaky faucets; doors and windows that stick; warped cabinet drawers; and torn screens. In addition, dirty walls and floors; cracked plaster or peeling wallpaper; and anything else at eye level should also be addressed. Also check out your shrubbery, lawn, and garden. Make sure the grass is neatly cut and shrubs are trimmed. And finally, planting flowers can add color and variety to the yard.

What to Leave and What to Take

While some items are negotiable, there's a general rule about what must stay with a property. Any structural or attached items, such as air conditioners or trash compactors, are part of the deal. If items aren't attached, such as furniture or curtains, they may be included in the negotiated price, but aren't automatically part of the sale. If your home has specialty sinks or other features, you may be able to state in the listing that these items are excluded from the selling price. A wiser alternative might be to remove and replace these assets prior to listing the house with an agent. When selling your home, remember to let your agent know if you wish to include window treatments, swing sets, microwave ovens or ceiling fans as part of the home. These extras may add to the appeal of your home, and should be included in your listing agreement or sales contract.