



# *Guide to Selling Your Home™*

*Massachusetts Edition*



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Mount Vernon Advisors (MVA) is a multi-disciplined real estate consulting and design company. Through its Real Estate Division, the company offers practical advice, useful information and guidebooks on family real estate matters including: mortgage financing options, buying a home, selling a home and home remodeling and improvement.

This guidebook is designed to assist homeowners in selling their homes quickly and for the highest price. It gives you useful information and tips on how to prepare your home for sale, how to properly price your home for sale and how to select and work with real estate agents. You'll also find checklists, interview forms, important phone numbers, websites and other useful information.

I hope you find the information in this book helpful.

Sincerely,

Peter Tedesco  
Author  
President, Mount Vernon Advisors, Inc.

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## 1. PREPARING YOUR HOME FOR SALE

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- Repair and Maintenance Suggestions
- Environmental Conditions and Testing
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# 1 PREPARING YOUR HOME FOR SALE

A well-maintained and appropriately decorated home will always sell faster and for a higher price than a home which does not show well. The trick is to make the house sparkle without spending a great deal of money on repairs and/or remodeling. Consider spending \$2,000 to \$4,000 on cleaning and minor repairs to make your home look more attractive. Generally, if the money is spent in the right places, you could recoup your investment with a quicker sale and, many times, a higher price. *Helpsheet 1-1* provides you with a checklist of areas of your home that may need work prior to putting it on the market.

## THE FIRST IMPRESSION

The first impression is the most important and lasting impression that will be made. Below are some tips on making a good first impression.

- **Curb Appeal:** Make the yard and landscaping attractive. Prune shrubs, mow the lawn and re-sod any dead areas. Clean or seal asphalt driveways and plant flowers or flowering shrubs to add color near the entrance. Paint and clean the front door and entranceway and replace the welcome mat. Adding pine bark mulch around foundation planting creates a neat and uniform appearance but also creates a pleasant aroma as you enter the home.
- **Avoid Clutter:** Make the home look as spacious as possible. Clutter implies lack of space, which makes a lasting impression on the would-be buyer. If you need to move items out of the house, consider putting all unnecessary items into temporary off-site storage. Below are some suggestions you may want to consider:
  - Kitchen – Remove everything from the countertops. Put all toasters, microwaves, blenders, coffeemakers, etc. below in cabinets.
  - Closets – If the closets are crammed, remove all unnecessary items. Today, many buyers look for adequate closet space. A cluttered closet gives the opposite impression.
  - Attic and Basement – Again, remove all unnecessary objects and neatly organize what remains. Make sure these spaces are adequately lit and easy for people to move around in.
  - Bathrooms – Remove all cosmetics, shampoo, shaving creams, etc. from vanity tops. Put all items into drawers.
  - Furniture – As you look from room to room, make sure the furniture does not give the impression that the rooms are small. If you can't easily move around a room, that is a signal to a buyer that the room is small.
- **Depersonalize the Home:** Remove or replace anything that can distract a buyer from making him or her feel at home. Items that personalize a house for you make would-be buyers feel as if they are intruding on your privacy.
  - Photographs - Consider removing family photos from walls and table tops.

- Political/Religious Icons – Store away any religious, political and even social artifacts.
- Odors – Pet odors, cigarette smoke or kitchen odors can leave a lasting negative impression. Buy carpet and air scents to mask any underlying odor.
- Pets – If you have them, keep them contained in the basement or with a neighbor during visits by potential buyers.

### **REPAIR AND MAINTENANCE SUGGESTIONS**

You should consider spending some money to help make your home show well. What you want to avoid is undertaking major renovations such as a new roof or heating system because, generally, you will not get back the money you have invested. However, if you have a major defect such as a leaking roof, you should correct it as such a defect will turn away many would-buyers. As a general rule, if people can't see a repair (e.g., new plumbing), they won't pay for it. Below is a list of fix-up items you might consider:

- **Cleaning:** Consider hiring a professional crew to provide a top-to-bottom house cleaning.
- **Painting:** If the house needs painting, paint it. Always pay special attention to the front of the house and the front door and entryway in particular. Paint any wood trim or room if needed. Always choose a natural or neutral color. If in doubt, use white.
- **Light Fixtures:** Replace any broken light fixtures. Be sure all lights are working.
- **Carpet:** If any of the carpets are soiled or worn, replace or remove them.
- **Wood Floors:** Consider having your wood floors refinished. Gleaming wood floors excite buyers and give the impression of a clean, sparkling home.
- **Linoleum Floors:** Replace kitchen and/or bath flooring if it is worn out or can't be waxed to improve its appearance.
- **Landscaping:** Prune all shrubs, fertilize and mow lawns and consider re-sodding any areas of dead grass. Plant flowers if weather permits and add flower boxes if appropriate. Most of your landscaping efforts should be concentrated on the front of the house.
- **Closets:** Clean out all closets. Avoid the impression of clutter.
- **Windows:** Be sure all windows are clean and in good working order. Replace any broken glass and repair or replace missing or damaged screens.
- **Driveway:** Repair concrete or blacktop. Reseal the surface if needed.
- **Heating and Cooling Systems:** Have the equipment serviced and cleaned and leave the service tag in a conspicuous area. Be sure to clean areas around the equipment for easy access.

- **Kitchens & Baths:** Kitchens and baths are the most important rooms in the house for most homebuyers. If these rooms do not show well or are outdated, consider some type of updating. You can consult with home remodeling professionals who can provide you with remodeling ideas and budgets.

#### MAJOR REPAIRS AND RENOVATIONS

Only as a last resort should you consider spending money for a major repair or renovation. Usually, you will be forced into it if the house does not sell or you are getting buyer resistance. As previously stated, you generally will not get your money out of last minute major repair or renovation. However, it may be required to sell your home without lowering your house price considerably.

#### COLLECT DOCUMENTATION

Put together a folder of important on your house for easy reference during the selling process. Below are some items to consider:

- **Heating Bills:** Annual cost to heat the home.
- **Electric Bills:** Annual cost for electric service.
- **Service Records:** Service records and manuals for the heating and cooling systems.
- **Appliances:** Sales receipts, warranties and manuals for all major appliances.
- **Major Repairs:** Cost for and date of any major repairs.
- **Real Estate Tax:** Copies of annual tax bills.
- **Water Costs:** Copies of annual water bills.

#### LIGHTEN UP THE HOUSE

Most buyers like homes they view as sunny or light. Below are some suggestions on how to lighten up the house:

- Remove or replace all dark and heavy draping from windows to allow natural light to filter in.
- Consider refinishing wood floors
- Wash and wax kitchen floors
- Repaint or re-paper any walls that are dark or “loud”; always go with a light neutral color
- Clean all windows
- Be sure the house has adequate lighting; add fixtures or replace low wattage bulbs.

#### ENVIRONMENTAL CONDITIONS AND TESTING

Environmental conditions and testing has become an important element in the purchase of residential real estate. Below we describe the various environmental conditions and testing you will want to consider as a seller.

*Note: As the seller, you are generally not obligated to perform any of the environmental testing described below (with the exception of the septic system test). As part of the inspection process, the buyer can perform and pay for any environmental testing. If the buyer uncovers the presence of any of these hazards, he or she will attempt to negotiate a price reduction equal to his or her estimated cost to cure the problem. Generally, if you have tested for an environmental hazard you are obligated to disclose the results to any buyer in your Seller Disclosure Statement (see Chapter 3). Therefore, if you think your property will test positively for any environmental hazards, it may be best to let the buyer perform such tests and negotiate the cost to cure the*

*situation with the buyer, if the buyer requests a price reduction as a result. However, if you believe the property has no environmental hazards, you may want to consider doing the tests and make the results available to the buyer. This information could help sell the property faster.*

### SEPTIC SYSTEMS - MASSACHUSETTS

- **Seller's Responsibility:** According to Massachusetts law (known as Title V), if a property has a septic system, cesspool or other private sewage disposal system, it must be tested within 2 years prior to the property transfer. A copy of the inspection report must be submitted to the buyer and is filed with the local Board of Health. If the system or part of the system fails, you have 2 years to make all necessary repairs.
- **Certificate of Compliance:** If the system is working properly and meets state standards, a "Certificate of Compliance" will be issued by the local Board of Health.
- **Licensed Inspectors:** Septic inspectors must be licensed by the state. If you hire an inspector, hire one that is not also a septic systems installer as there is potential for conflict of interest. Contact the local Board of Health for listings of state licensed inspectors and/or septic installers. You can contact the Massachusetts DEP for further information at [www.mass.gov/eea/agencies/massdep/water/wastewater/septic-system-title-5.htm](http://www.mass.gov/eea/agencies/massdep/water/wastewater/septic-system-title-5.htm)
- **Condition of Sale:** Most purchases of property will be contingent upon the seller obtaining a Certificate of Compliance and/or agreeing to make any necessary repairs. Furthermore, most lenders will not close a loan unless the system meets state standards and/or a plan for repairs is in place

### LEAD PAINT - MASSACHUSETTS

A home constructed before 1978 may contain lead-based paint. A lead paint test must be conducted by a state-certified tester. The cost of an inspection ranges from \$500 - \$800 (for a typical 6-7 room house). However, you should call several companies as fees vary considerably.

Purchasers of homes in Massachusetts must be provided with a copy of the "Childhood Lead Poisoning Prevention Program" leaflet and the "Property Transfer Lead Paint Notification". As a seller, you should become familiar with these notifications and legal requirements.

*Note: A copy of any lead paint inspection report is filed with the Commonwealth of Massachusetts as a permanent legal record of the test. In most cases, there is no need to do lead testing and we recommend that you do not, as the results of the test become a permanent record and must be disclosed to potential buyers.*

- **Options for Lead Paint Removal:** There are 3 ways to remove lead paint: 1) replace all affected wood; 2) scrape and peel off the lead paint; 3) encapsulate the lead paint. Methods 1) and 2) must be performed by a state-licensed lead paint remover. Both of these options are expensive. Lead paint removal can cost from \$2,000 to \$5,000 per room. Method 3) encapsulation, is basically painting over affected surfaces with a thick paint known as an encapsulate. The homeowner can apply the encapsulate himself. However, there are two limitations to encapsulation: 1) you can't encapsulate "friction surfaces" such as doors and windows; and 2) the encapsulate must be checked periodically to confirm that it remains in good condition.

- **Additional Information:** If you hire a firm to inspect the premises, do not hire it to also remove the lead paint as there may be a conflict of interest. You may contact the state agency listed below to obtain lists of lead paint inspectors and removal firms:

Massachusetts Department of Public Health, Childhood Lead Paint Prevention Program  
<http://www.mass.gov/eohhs/gov/departments/dph/programs/environmental-health/exposure-topics/lead/>

## RADON

Radon is a carcinogenic gas that can seep into homes through cracks in the foundation and cause health problems. Radon emanates from certain types of ledge. New England is considered a high risk area for radon contamination. Radon levels are almost always highest in the basement, dropping off considerably on upper floors.

- **Testing:** Homeowners can perform radon tests themselves with commercial test kits. Test can be short term (4-7 days) or long term (60-90 days). Test kits cost from \$30 - \$60. Because radon levels can vary considerably from day to day, a long-term test kit will be more reliable. Below are lists of test kits:

<u>Short Term</u>	<u>Long Term</u>
Air Check (4-7 days)	Key-Trac (90 days)
Key-Rad Kit (2-4 days)	RadTrak (90 days)

***Note:** You may want to consider testing the basement as well as the upper floor living areas. If the upper floor air quality is within acceptable ranges, there may be no need to correct any problems. However, if you have a finished basement and the radon levels are high, corrective action may be required.*

- **Corrective Action:** Corrective action for high radon levels includes sealing large cracks and, if levels still remain high, installing a pipe through the foundation slab to intercept the gas, then installing a fan to pull the gas up to the roof where it dissipates. The EPA estimates that a typical radon problem can be corrected for \$1,000 - \$1,500.
- **Seller Responsibility:** You are not obligated to test for radon. But, if you know it exists, you must disclose it. Some buyers will require a test for radon as a condition of sale. If levels are found to be above safe levels, it could jeopardize the sale and/or cause a reduction in sale price.

## ABESTOS

Asbestos once was widely used as a fire-retardant insulating material. In many older homes, asbestos can be found around heating pipes and in exterior shingles. Asbestos is a known carcinogen.

- **Seller Responsibility:** You are not required to test for asbestos. However, if you know it exists, you must disclose that fact. Asbestos is generally not a major concern for most homes. We suggest you let the buyer decide if he or she wants to spend the money to test for asbestos. Even if only small amounts of asbestos are located around heating pipes, you may decide to let the buyer remove it at his or her own expense.

### UREA FORMALDENHYDE FOAM INSULATION (UFFI)

Urea Formaldehyde Foam Insulation (UFFI) is a home insulation material made of urea formaldehyde resin and a foaming agent blown or pumped into the walls and ceiling. Formaldehyde in the insulation, even if properly installed, reacts with heat and humidity in the air. This allows formaldehyde gas to be released into the air of a UFFI-insulated building. This type of insulation, popular during the energy crunch of the 1970's, was banned by Massachusetts in 1979.

Formaldehyde gas can cause health problems in sensitive individuals including infants, the elderly, people with respiratory diseases (such as asthma) and people with allergies. Undesirable health effects may include sore throat or nose, difficulty breathing, nosebleeds, headaches, laryngitis, nausea, skin or eye irritation, fatigue or dizziness. Formaldehyde gas can be released into homes by pressed wood, fabric and cosmetics as well as by UFFI.

- **Testing for UFFI:** You can look for UFFI in your home by removing the cover from an electrical outlet or switch on an exterior wall and looking for insulation inside the wall. UFFI looks like dried shaving cream, is yellow or white and has a brittle (not spongy) consistency. You should look in several walls and in the attic, basement or crawlspaces of your home. If insulation was installed while you owned the home, you should check your records to see what kind was installed.

If you have UFFI, you should contact the Department of Public Health for free air testing to measure how much formaldehyde is in the air of your house. The Environmental Protection Agency has determined that average formaldehyde levels are 0.073 ppm (parts per million) in homes with UFFI, 0.03 ppm in non-UFFI homes, and .005 ppm in urban outdoor air.

- **Seller Responsibility:** As a seller, you must determine whether or not your property contains UFFI. If it does, you must have the air tested according to DPH regulations and disclose the results to any prospective buyer before entering into a purchase or agreement. Generally, you do not have to remove UFFI if you have; you must only disclose it.
- **Further Information:** For further information visit DPH's website at: <http://www.mass.gov/eohhs/gov/departments/dph/programs/environmental-health/comm-sanitation/urea-formaldehyde-foam-insulation-uffi.html>

### UNDERGROUND STORAGE TANKS

Some homes have underground oil and/or fuel storage tanks. Many lenders refuse to lend funds with respect to properties containing underground oil tanks. All single lined metal underground storage tanks will leak eventually. If your property has a tank of that type that is over 10 years old, it is advisable to have the tank removed or "pressure tested". Most municipalities require that anyone who has an underground oil tank register it with the local fire marshal. Towns will require that the tanks are periodically "pressure tested" to determine if they are leaking.

- **Leaking Tanks:** Oil tanks may leak oil into the soil and contaminate it. If your tank is found to be leaking, whether or not you are selling the property you will be required to remove the tank and all contaminated soil. This is very costly and time-consuming.
- **Seller Considerations:** If your property contains an older underground oil tank, it may be advisable to remove the tank before a problem arises. As mentioned above, some lenders will require

removal as a condition of the loan and some buyers may require that the tank be pressure-tested and the surrounding soil be tested for contamination.

- **Further Information:** Contact your local fire department for the local requirements concerning underground fuel tanks.

#### HAZARDOUS WASTE LOCATIONS – MASSACHUSETTS

More and more buyers are becoming aware of the impact of a known hazardous waste site on surrounding property value. You may want to determine if there are any such sites in your neighborhood or community. Our staff can provide you with a list of hazardous waste sites and locations to be investigated by the Department of Environmental Protection (DEP) or you can visit the DEP's website at [www.mass.gov/eea/agencies/massdep/cleanup/sites](http://www.mass.gov/eea/agencies/massdep/cleanup/sites)

- **Why Investigate?** Many people tend to overreact when they hear the term “hazardous materials”. If you find there is a site in the vicinity of your home, it may well be worth a trip to the DEP office to review the “property file”. Many times, you will find that the problem is being corrected and/or that the potential hazard to neighboring properties is minimal. If the buyer brings the issue up, you will be in a position to respond in an informed manner.

**HELPSHEET 1-1**CHECKLIST OF HOME MAINTENANCE AND REPAIRSEXTERIORRoof & Gutters

- Repair or replace loose or damaged shingles
- Clean gutters and downspouts
- Inspect chimney for loose or missing mortar
- Check fascias, gutters, and soffits for peeling paint or discoloration

Exterior Siding

- Re-nail loose shingles or clapboards
- Paint siding if necessary
- Replace caulking around windows and gutters if necessary
- Treat any discolored wood siding or decking with bleach-based solution

Foundation

- Repair any cracks
- Correct drainage problems around foundation
- Clean & Caulk basement casement windows

Yard

- Fertilize and mow lawn – water often
- Trim hedges and bushes
- Seed or sod areas if necessary
- Weed and mulch flower beds
- Plant flowers

INTERIORAttic

- Check for leaks and rotted wood
- Clean out unwanted storage material
- Provide adequate lighting
- Check roof and soffit vents

Walls and Ceilings

- Check condition of wallpaper and paint
- Repair cracks and holes
- Paint wood trim if required

Heating & Cooling

- Have furnace and air conditioning serviced
- Replace all filters
- Make all equipment accessible and provide proper lighting

Windows & Doors

- Make sure all doors & windows are operable
- Replace broken/damaged screen & windows
- Lubricate any squeaks
- Check paint and caulking
- Plane any doors that stick
- Clean all windows

Floors

- Consider sanding all wood floors
- Repair any loose boards or tiles
- Check quality & condition of linoleum floor
- Repair any loose handrails or spindles on stairs

Bathrooms

- Remove all mold & mildew
- Replace shower curtain & bath rug
- Repair dripping faucets & shower heads
- Check condition of paint & wallpaper
- Check ventilation (fan)
- Clean all drains (sink & bath)

Kitchen

- Be sure all appliances are cleaning and working
- Clean and wax kitchen floor
- Remove unnecessary kitchen devices from counters
- Avoid odors – clean stove & refrigerator

Basement

- Remove all clutter
- Provide proper lighting
- Check floors & walls for cracks
- Check for dampness – add dehumidifier if necessary

Electrical System

- Repair broken switches & outlet covers
- Be sure all lights are in working order
- Label all fuses and/or circuit breakers

## 2. PRICING YOUR HOME

- Working with Real Estate Agents
- Hiring an Appraiser
- Appraising it Yourself
- Factors Which can Positively Impact your Home's Value

## 2 PRICING YOUR HOME

Nothing is more important in selling a home than setting the right price. The number one reason that homes don't sell is that the asking price is unrealistic. Homeowners tend to have an inflated opinion of the value of their home. It is human nature to think your house is better and more valuable than your neighbors' homes and should command a higher price. However, such judgments are usually made without knowledge of the market. In this chapter of the book, we will discuss various options available to you in determining the right price for your home.

### WORKING WITH REAL ESTATE AGENTS

A local real estate agent can be of assistance in helping you determine the value of your home. Most agents will provide you with a "market analysis", which is basically a summary of recent comparable sales in your area. The main source of property sales information is the Multiple Listing Service (MLS).

- **MLS Comparable Sales:** MLS is relied upon by most real estate agents to find comparable sales of homes in your neighborhood. The comparable sales will give a description of the house that sold, sale price and sale date, and how many days the house was on the market. Many brokers will pull out sales *they* believe are comparable to your property and discuss those with you. However, we recommend you politely ask the agent to allow you to review the comps yourself to be sure the agent is showing you all comparable sales in the area.
- **Broker Motivation:** As you discuss listing your home with various real estate companies, you must keep in mind that an agent who is competing with other agents for a listing may give you an unrealistically high estimate of value to ensure he or she gets the listing. Then, after the house sits on the market for a time, the agent may suggest a lower price. However, at this point you may be contractually committed to listing the house with such agent.

### HIRING AN APPRAISER

A second method to obtain the value of your house is to hire a real estate appraiser. A single family or condominium appraisal costs from \$275 - \$375. You can negotiate such fee with the appraiser. To obtain a list of appraisers knowledgeable in your market area, we suggest you call your current mortgage lender and/or local bank and ask them for the names of 3 or 4 appraisers in your area.

*Tip: An appraiser's services are particularly appropriate if your house is unique or atypical of the area or requires major repairs. In these cases, real estate agents have difficulty pricing the home properly.*

### APPRAISING IT YOURSELF

Even if you intend to sell your home by employing a real estate agent, you should take the time to understand price levels in your market. You can go onto a number of real estate websites to get a ballpark estimate of value for your home. Including: [www.zillow.com](http://www.zillow.com), [www.trulia.com](http://www.trulia.com), [www.realtor.com](http://www.realtor.com).

Remember, these sites do not take into account (in most cases) remodeled or homes with recent additions. Therefore, you must look at the value they assign to your home as a ballpark only.

- **Asking Price Versus Sale Price:** A broker or appraiser will give you his or her opinion as to the value of your house. The value, however, is not the same as the asking price. Most real estate agents will suggest an asking price 5% to 15% above the appraised value (depending on market conditions) to leave room for negotiation with the buyer. Very few homes sell for asking price under normal market conditions.

### **FACTORS WHICH CAN POSITIVELY IMPACT YOUR HOME'S VALUE**

There are factors which are related to market conditions or locational or town attributes that can enhance your home's value, as discussed below:

#### **MARKET CONDITIONS**

You have heard the terms "buyers' market" and "sellers' market". Generally speaking, sellers' market conditions occur when one or a combination of the conditions below exist:

- **Economic Conditions:** During periods when the economy is strong, unemployment is low and wages are increasing, real estate prices tend to escalate and houses sell quicker. Remember, real estate is a lagging economic indicator and increased real estate prices follow by 6 to 12 months an economic expansion in an area.
- **Interest Rates:** As interest rates go down, home prices generally tend to go up, because people are economically able to borrow more at the lower rates.
- **Low Inventory:** When there are few homes on the market, properly-priced homes will sell quickly and for close to asking price. .

#### **LOCALIZED MARKET CONDITIONS**

There are localized market forces that can enhance a home's value, as described below:

- **Town-Wide Market Conditions:** Some towns are highly sought after because of: 1) the prestige of the town; 2) excellent school systems; 3) superior transportation/commuting options; and/or 4) a variety of recreational/cultural opportunities. Generally, you will find that sought-after towns have all of these attributes. Homes in these towns tend to sell faster and for a higher price than a comparable home in another town.
- **Amenities:** There are various amenities that are sought by buyers in today's market. Below we list those amenities that can add value to a home.
  - **Views** – Water views or sky line views can add value to a home, especially if there are decks and/or porches which take advantage of the view.

- Cul-De-Sac – Homes on quiet dead-end streets are sought after by many buyers, especially those with children.
- Conservation Land – Homes which abut open, protected conservation land are desirable because buyers know that there is no risk that the land could be developed.
- Golf Course – Homes on a golf course are highly desirable and, many times, the interested buyer does not play golf but wants to be associated with the golf course.
- Fenced-In Yard- Fenced in yards are desirable, especially in areas where lots are small and the neighborhood is fully developed.

### 3. SELLER'S DISCLOSURE

- Seller's Disclosure Statement
- *Helpsheet 3-1 ~ Sample Seller's Disclosure Statement*

## 3 SELLER'S DISCLOSURE

In the old days, the term used to describe disclosure was “caveat emptor”, or “buyer beware”. In those days property was sold “as is”. Defects discovered after closing were the buyer’s problem. During the past 15 to 20 years however, as the price of real estate sky-rocketed, more and more buyers brought lawsuits against sellers for defects in property, and generally were successful in obtaining judgements against sellers.

*Today, the general rule is that if you are aware of a defect in your home, or even if you should have known of such defect, you are obligated to disclose it.* You should view disclosure as protection for sellers. If your property has defects which you choose not to repair and which you disclose in writing to the buyer and the buyer moves ahead with the purchase, you generally will not be liable to the buyer for such defects. Most sellers fear that disclosing defects will scare away potential buyers and/or hurt the marketability of the property. However, buyers interested in the property typically will negotiate a reduction in price to compensate for the defect.

### SELLER'S DISCLOSURE STATEMENT

Most real estate agents will ask you to fill out a form known as a “Seller’s Disclosure Statement” or a “Seller’s Description of Property”. *Helpsheet 3-1* contains a sample Seller’s Disclosure Statement. *This is only a sample to be used as a guide.* Disclosure laws vary from state to state and are constantly being reviewed and updated. Therefore, your actual disclosure statement may vary from this form. You should ask your attorney or broker what the law currently requires for seller disclosure.

The disclosure statement is usually shown to the buyer sometime during the selling period. Some buyers request to see the disclosure statement before an offer is made while others will make presentation of the disclosure statement a condition of closing in the Purchase and Sale Agreement.

It is a good idea to review this form and become familiar with the types of information contained in a typical Seller’s Disclosure Statement.

**WORKSHEET 3-1****SAMPLE SELLER'S DISCLOSURE STATEMENT**

Property Address: \_\_\_\_\_

THE SELLER AUTHORIZES THE BROKERS OR SALESPERSONS TO PROVIDE THE FOLLOWING INFORMATION TO PROSPECTIVE BUYERS.

**I. TITLE/ZONING/BUILDING INFORMATION**

1. Seller's Name \_\_\_\_\_
2. Owner's name (if different) \_\_\_\_\_ How long occupied \_\_\_\_\_
3. Age of structure \_\_\_\_\_ Number of occupants \_\_\_\_\_
4. Do you know of title problems (i.e., easements, use restrictions, lot line disputes, liens)? If yes, explain \_\_\_\_\_
5. Zoning classification of the property \_\_\_\_\_ Not known \_\_\_\_\_
6. Number of units/apartments permitted by zoning \_\_\_\_\_ Not known \_\_\_\_\_
7. Do you know of zoning problems/violations? If yes, explain \_\_\_\_\_
8. Do you know of any variances of special permits? If yes, explain \_\_\_\_\_
9. Do you know of any building code or sanitary code violations? If yes, explain \_\_\_\_\_
10. Have you done any work which required building, plumbing, electrical or other permits? If yes, describe \_\_\_\_\_
11. Is property in a flood plain or wetlands? Explain \_\_\_\_\_

**II. SYSTEMS/UTILITIES INFORMATION**

DO YOU KNOW OF ANY CURRENT PROBLEMS WITH THE ITEMS LISTED? ALSO, EXPLAIN ANY REPAIR WORK WHICH YOU HAVE HAD DONE.

12. a. Type of heating system \_\_\_\_\_ Age \_\_\_\_\_  
b. Has there ever been an underground fuel tank? If yes, location \_\_\_\_\_
13. HEATING SYSTEM problems? If yes, explain \_\_\_\_\_
14. Type of Domestic Hot water heater \_\_\_\_\_ Age \_\_\_\_\_
15. DOMESTIC HOT WATER problems? If yes, explain \_\_\_\_\_
16. Burners/Domestic Hot Water: Owned \_\_\_\_\_ Rented \_\_\_\_\_ If rented, from whom? \_\_\_\_\_
17. PLUMBING SYSTEM problems/leaks/freezing? Explain \_\_\_\_\_
18. Bathroom ventilation problems? Explain \_\_\_\_\_
19. SEWAGE SYSTEM (sewer, septic, cesspool) \_\_\_\_\_ Public \_\_\_\_\_ Private \_\_\_\_\_
20. If private, a) name of service company \_\_\_\_\_ b) date last pumped \_\_\_\_\_  
c) Frequency \_\_\_\_\_
21. Sewage System problems? If yes, explain \_\_\_\_\_
22. Air conditioning type: Central \_\_\_\_\_ Window \_\_\_\_\_ Other \_\_\_\_\_ None \_\_\_\_\_
23. AIR CONDITIONING problems? If yes, explain \_\_\_\_\_
24. ELECTRICAL SYSTEM problems? If yes, explain \_\_\_\_\_
25. DRINKING WATER Source: Public \_\_\_\_\_ Private \_\_\_\_\_ If private: a) well location \_\_\_\_\_  
b) Flow rate (gals/min) \_\_\_\_\_ c) Date last tested \_\_\_\_\_
26. Drinking water problems? If yes, explain \_\_\_\_\_
27. APPLIANCES: Are all appliances which are being included in working order? Explain \_\_\_\_\_
28. Is electronic security system in working order? Explain \_\_\_\_\_

**III. BUILDING/STRUCTURAL/IMPROVEMENTS INFORMATION**

29. Foundation/slab problems/settling? If yes, explain \_\_\_\_\_
30. Basement water/seepage/dampness? Explain amount, frequency and location \_\_\_\_\_
31. a) Sump Pump? If yes, age \_\_\_\_\_ Location \_\_\_\_\_  
 b) Is it in working order? Explain \_\_\_\_\_
32. Roof type \_\_\_\_\_ Age \_\_\_\_\_
33. Roof leaks, problems? Explain \_\_\_\_\_
34. Interior walls/ceiling problems? Explain \_\_\_\_\_
35. Type of floor under carpets/linoleum? \_\_\_\_\_
36. Floor problems? If yes, explain \_\_\_\_\_
37. Chimney/Fireplace problems? If yes, explain \_\_\_\_\_ Last Cleaned \_\_\_\_\_
38. Wood/coal stove compliance with installation regulations/bylaws/codes? Explain \_\_\_\_\_
39. Wood/coal stove problems?
40. History of fire/smoke damage? Explain \_\_\_\_\_
41. History of termite/insect/pest problems? Explain treatment and date \_\_\_\_\_
42. Is house insulated? Type \_\_\_\_\_ Location \_\_\_\_\_
43. Has area formaldehyde foam insulation (UFFI) ever been present? If yes, location \_\_\_\_\_
44. Has air test for UFFI/formaldehyde been done? If yes, attach copy of report? Attached \_\_\_\_\_ Not attached \_\_\_\_\_
45. Are asbestos-containing insulation of building materials present? If yes, location \_\_\_\_\_
46. Is lead paint present? If yes, location \_\_\_\_\_
47. Has test for radon been done? If yes, attach copy.
48. Other building or structural problems? If yes, describe \_\_\_\_\_

**IV. MISCELLANEOUS INFORMATION**

49. Water drainage problems? Explain \_\_\_\_\_
50. Swimming pool/Jacuzzi problems? Explain \_\_\_\_\_
51. Identify any other hazardous materials at the property \_\_\_\_\_
52. Are you aware of any other information concerning any part of the land or buildings on your property which might affect the decision of a buyer to buy, or affect the value of your property or affect its use by a buyer? If so, describe \_\_\_\_\_

#### 4. NEGOTIATING THE SALE

- Asking Price Versus Sale Price
- A Short Fuse
- Negotiation of the Buyer Inspection Report

## 4 NEGOTIATING THE SALE

Regardless of the condition of your house or how desirable property in your town or neighborhood is, be prepared for some negotiation. Your broker, if you have one, will assist you in the negotiation process.

### ASKING PRICE VERSUS SALE PRICE

The asking price is generally set 5% to 15% above what you think the property is worth in normal market conditions. Be sure that the asking price is not too high as to turn off potential buyers. However, the asking price should be high enough to provide for some “wiggle room” during the negotiation process.

### A SHORT FUSE

When you execute an Offer to Purchase or Purchase and Sale Agreement, you want to keep the time period for the buyer to do inspections and obtain financing as short as possible. Once an agreement is executed, other potential buyers will be hesitant to take a serious look at the property while it is under agreement. The common contingencies buyers put into a sales agreement include:

- Financing contingency
- Inspection contingency
- Clear title contingency
- Environmental testing contingency (e.g., radon, lead paint, asbestos, UFFI)

All inspections can usually be done within 10 to 14 days of the signing of the Purchase and Sale Agreement. Generally, arranging financing takes 20 to 30 days.

### NEGOTIATION OF THE BUYER INSPECTION REPORT

Defects and/or needed repairs may be uncovered. In many cases, the buyer will attempt to negotiate a lower price *based upon the inspector's* opinion of the cost to cure the defects. In this case, you have a number of options including:

- **Fix it Yourself:** Have a contractor repair the defects in a timely manner. It is best to pre-arrange for a contractor to make timely repairs.
- **Negotiate:** Obtain your own estimate of the cost to cure the defects (which may be lower than the buyer's estimate) and negotiate a middle price.
- **Split the Difference:** Offer to split the cost to cure defects with the buyer.
- **Stand Firm:** If only minor repairs are required, consider standing firm on the price.