

# HQR BMR SELLER'S KIT

## HomeQuest Realty Below Market Rate Seller's Kit

The objective of the kit is to:

- ✓ Present important information to help you further assess your decision to move or not move forward with the sale of your BMR.
- ✓ Provide additional insight on the general procedure, protocols, and nuances involved in selling your BMR.
- ✓ Direct and assist your first steps to selling your home.

### Deciding to Sell Your BMR

You should carefully review and evaluate a number of personal factors when deciding to sell your BMR home. Some considerations to take into account include:

1. **Why are you thinking about selling your BMR?**
  - a. Do you need *more space*?
  - b. Has there been a change in your *financial situation*?
  - c. Has there been a change in your *personal living situation* and needs?
  - d. Do you want or need to live in a new *geographic region*?
2. **When and where will you be moving to, and what steps do you need to take to execute your move? *Specifically:***
  - a. Are you planning to *rent or buy* your next home?
  - b. If you're planning to buy, have you had a lender or *real estate specialist* work with you to assess your purchase capacity?
  - c. Do your purchase or rent *expectations match* the purchase price or rental cost for the geographic area, and type of home you would like to rent or buy?



If you have already moved, keep in mind that the San Francisco Mayor's Office of Housing & Community Development, or MOHCD, has a **strict requirement that you maintain occupancy of your BMR home**; it is prohibited to rent out your BMR home. **If you have already moved out, make certain to contact HQR at your earliest convenience.**

In reflecting on the above questions, you should analyze your financial situation. **HQR** advises


that you compile your financial documents so that you and a real estate professional, such as a lender and/or real estate agent, can review your financial situation together. It is important that you and the team you are working with establish realistic parameters and expectations associated with your move.

## Overview of the BMR Selling Process

Selling your BMR is a more complex procedure than selling a non-deed restricted open market home. The San Francisco Mayor's Office of Housing and Community Development, or **MOHCD**, provides a general overview of the steps required by the City to sell your BMR. You can learn more about these protocols on the MOHCD website located at [www.sfmohcd.org](http://www.sfmohcd.org).



HQR has represented over 100 MOHCD BMR sales in the past twenty four months. Accordingly, the list below depicts what we have determined to be the most common and relevant **required MOHCD steps** to initiate and complete the sale of your BMR home. This is not an all-inclusive list. Each case has particular circumstances that may demand unique and additional steps.

1. **Contract with an MOHCD approved realtor to resell the property** → HQR is a highly active MOHCD BMR realtor. We pride ourselves to be the premier realtors representing MOHCD-owned properties. Keep in mind that the **commission paid to the realtor** will be **added to the resale price** assigned by MOHCD.
2. **Request for pricing from the MOHCD** → To request pricing, the MOHCD requires various documents. HQR will assist you with two documents immediately required by MOHCD - the **Request for Resale Pricing Letter**, and your **Listing Agreement**. Additional documents the MOHCD requires include **proof of monthly HOA dues** in the form of an invoice or payment coupon, and a statement of all **capital improvement reimbursement credits** approved by the MOHCD (if any capital improvements have been made).
3. **MOHCD will assign a resale price** → After reviewing your request, including the required and supporting documents, the **MOHCD will assign a resale price to your home**. This is the maximum price you may sell your unit at. Commissions to be paid to the listing broker will be added to the maximum price assigned. The actual price at which you sell the property may be influenced by market, property, and legal conditions, but *can never exceed the maximum price assigned*. The MOHCD should provide you pricing within 30 days from receipt of your intent letter. 
4. **Unit must be marketed for at least 21 days** → The MOHCD requires the unit be **marketed for 21 days with at least 3 open houses**. The open houses must include one evening and one weekend showing. The property must be advertised by the realtor on the San Francisco Association of Realtors Multiple Listing Services (MLS).
5. **Realtor responsibility** → The realtor is responsible for **advertising, showing** the property, fielding all **questions** by prospective **buyers** regarding the unit, and helping with

coordinating efforts with parties involved in closing the transaction.

6. **Application due date and lottery date** → The realtor works with the MOHCD to set the application due date and the lottery date. This includes 7 days for the MOHCD to review all applications collected during the marketing phase of the sale
7. **Lottery\*** → The **lottery is held by MOHCD**. The seller does not have to be present at the lottery.
  - \* *There may be a situation in which the sale may transpire on a first-come, first-served basis. This normally happens when: 1) the maximum price of the property is higher than what most buyers in the assigned income group can afford, and/or 2) there is, overall, a low interest in the property and only one household has expressed interest in purchasing the property.*
8. **Preliminary screening and approval of buyer** → The MOHCD places the first place lottery winners through a **primary program eligibility review and screening**. If deemed eligible to participate in the BMR Program, the MOHCD will notify the realtor and the first place winner will continue with the sales process. At that point, **the seller and buyer will ratify a San Francisco Association of Realtors (SFAR) purchase agreement** with a 60 day close of escrow. If the first place winner turns out to be not eligible, the MOHCD will immediately start reviewing the next lottery winner in line. This review and screening period normally take up to an **additional 15 to 30 days** (per each review).
9. **Lender approval** → Upon the buyer receiving preliminary approval from MOHCD, the **buyer's MOHCD approved lender must submit a comprehensive approval package** to MOHCD. This package will demonstrate that the lender has provided a loan approval to the buyer that is in compliance with the MOHCD's BMR financial requirements. This process may take **up to 30 days** to complete
10. **Final review and approval of buyer** → The MOHCD places all lottery winners through a **final review process**. This review and screening period normally take up to an **additional 15 days**.
11. **Closing of transaction** → The first lender and the MOHCD issue loan and BMR program related documents to **escrow for the buyer and seller to sign**. The transaction is closed and **funds are distributed to the seller**.



## Your Next Steps

If you are considering selling your BMR, we recommend you take the following steps:

### **1. Conduct a personal financial assessment to better prepare and understand your housing alternatives upon selling your home.**

This is especially relevant if you are considering purchasing a new home. We suggest that you meet with **HQR's** team to capitalize on **our expertise and assistance** in determining your financial capacity and alternatives. We have provided you a list with this package of financial documents that you should have in order to be able to conduct an accurate and relevant analysis of your housing alternatives.



## 2. Construct an accurate assessment of the platform you will be working from to sell your BMR.

In addition to the sale price established by the MOHCD, there are a number of factors that will impact the sale of your BMR. **HQR's** team can help examine relevant factors to give you a stronger overview of the components that would either negatively or positively impact the sale of your home. We have provided a **questionnaire asking for key resale information** at the end of this package for you to fill out. Completing the questionnaire should provide you and the **HQR** team a stronger understanding of the relevant factors that could impact your sale. At this juncture it would be helpful and relevant for an **HQR** representative to make an appointment to look at your unit.

## 3. Secure a sales price for your BMR.

The MOHCD provides you the pricing on your home. The MOHCD requires a listing agreement to be submitted with the pricing request to sell your home. **HQR** has established mechanisms and protocols that would allow you to enter into a listing agreement with the flexibility to rescind the agreement if you are not satisfied with the MOHCD assigned BMR price. Prior to submitting a request for your sales price to the MOHCD, we highly recommend you take the time to fill out and submit the attached BMR profile questionnaire to **HQR**. This process will also assure a higher level of accuracy in the pricing you receive from the MOHCD.

## 4. Meet with the **HQR team** to review your marketing strategies and requirements.

In today's market, most BMR units are sold through a lottery process. This, however, may vary based on the location, pricing, and other factors such as the cost and status of your home owner's association. By executing all the above referenced steps, **HQR** will be able to provide you a more accurate assessment of the marketing strategies and timelines you can anticipate in selling your unit. In addition, there are specific requirements that the MOHCD places on executing the sale of a BMR. We have provided a synopsis of the marketing requirements and estimated time line to fulfill these requirements with this package. This timeline does not take into consideration any unforeseen and challenging circumstances.



## 5. Initiate marketing efforts and purchase process.

**HQR** will work diligently in executing all the strategies and steps presented to you in the marketing plan. As a BMR seller, the MOHCD will require that you have a minimum of three open house tours. It is essential that your real estate agent has a strong understanding and manages all the protocols and requirements in executing the sale. This would include interacting with and coordinating:

- a. Financing efforts with a MOHCD approved lender;*
- b. MOHCD required selling protocols; and*
- c. Escrow procedures and requirements in executing the close of your BMR transaction.*

## Projected Resale Timeline

One of the most common mistakes MOHCD BMRs sellers make is to not **plan for the extended period of time it takes to sell your BMR home**. After representing hundreds of BMR sales, **HQR** has established an average base timeline that sellers should plan on to sell their home. This timeline may be less than or greater than the days depicted below. The timeline is mostly controlled by San Francisco Mayor’s Office of Housing activities. **HQR** can have some influence on the timeline, but realistically, no one can control the exact amount of time it will take to sell your BMR. **HQR** strongly advises you to have reservations and seriously question any agent interested in selling your home that is promising to close your transaction in a shorter period of time. BMR transactions are completely different from a regular non-BMR sale. **HQR** prides itself in providing clients we work with continuous and total transparency and honesty.

	Activity	Days	Cumulative Days
1.	HQR will secure pricing for you unit from MOHCD	30	30
2.	Submit Marketing Plan and Posting Template for MOHCD Website	14	44
3.	Marketing period	21	65
4.	Deadline for submitting applications and Lottery	14	79
5.	Conditional approval of winning buyer by MOHCD	21	100
6.	1st lender approval of buyer - including appraisal	21	121
7.	Final approval of buyer by MOHCD	30	151
8.	Funding and closing of escrow	14	164

## Contact HomeQuest Realty

We pride ourselves at being accessible and responsive to your questions and requests for assistance. Rob Belli is our top producing agent and has a team that is willing and capable to help! Feel free to contact Rob directly if you have any questions.

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