

JOA REALTY

SELLING A HOME

SELLERS GUIDE



Information, Advise and Preparations to Guide You Through Your Real Estate Journey

JOA REALTY

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LISTING GUIDE

NAVIGATING YOUR JOURNEY

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BEGINNING THE JOURNEY

Selling your home is a large undertaking. There are a number of tasks that need to be done and bases that need to be covered. This guide will prepare you for the journey to come, and help you with the sale of your home.

Once you decide to list your home on the real estate market, you will be confronted with a lot of information. You will probably begin watching real estate reality television and looking at the "homes" section of the newspaper.

These are all great things to do in order to get you acquainted with the market. Unfortunately, there are a number of hidden things that you might not be aware of. There are certain aspects of the market that only a seasoned professional would know to look for. These are the areas where a realtor will be able to assist you best.

Your realtor will help you identify your goals for the sale, set the best price, stage your home, market it, and guide you through the closing process and much more.

For most people, their home is one of their most important investments.

It makes sense to use a trained professional to ensure that you are able to achieve the maximum possible return on your investment.

This guide was created by real estate professionals with you in mind. It is designed to make the home selling process as simple and easy as possible.



Starting Out

WELCOME TO THE MARKET

Welcome to the home selling market. Joa Realty is here to make this journey as painless and pleasant as possible. We are also here to ensure that you are able to get a favorable return on your real estate investment.

We have created this guide to help you navigate the wealth of information regarding your

home sale. We have compiled this information based on our experience of what information home sellers need most.

We have included tips and tricks for a number of different areas of home sale from staging to negotiation. The better prepared the seller is, the smoother the sale will go.

It might seem like a lot of information at first, but it will all help you with your bottom line.

Joa Realty is here to serve as a resource for you so that we can make you as comfortable with the process as possible.

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WHY USE A REALTOR

PROTECTING YOUR INVESTMENT

RETURN ON INVESTMENT

For many people, their home represents one of their most important investments. They have put in a lot of time, effort and money into their home.

For this reason, homes represent a unique part of our lives. They represent a place to live, as well as the future. Once you decide that you are ready to sell your home, you must make a number of important decisions—When to

sell, how much for, what repairs if any to do, how to negotiate, how to prepare for inspections, what documents are needed for the closing... etc. The list goes on.

With such unique and specialized tasks, it helps to seek advice from a professional with experience in all areas of home sales.

Your realtor offers more than their time—they offer their experience. They know what

works and what doesn't. They know what buyers look for, and what will make the difference in your sale.

Eighty-five percent of sellers were assisted by a real estate agent when selling their home, according to NAR Research.

Having a Realtor on your side will ensure that you always have the resources that you need for your home sale.

“Eighty-five percent of sellers were assisted by a real estate agent when selling their home, according to [NAR Research](#)”

ACCORDING TO 2008 NAR® PROFILE OF HOME BUYERS AND SELLERS:

- FSBO (For Sale By Owner) accounted for 13% of home sales in 2008
- Typical FSBO home sold for \$153,000 compared to \$211,000 for agent-assisted home sales
- Only 13% of FSBO's were sold within the planned length of time
- Only 12% of FSBO received the right price for their property

ADVISE FOR PROFIT

First impressions are key to home buyers. Your realtor will be your biggest asset in creating that right impression.

They will be able to identify any areas that would create the greatest improvement. Instead of trying to remodel your entire home for sale, let your realtor suggest which areas to focus on and what buyers are looking for in your market.

This can save you time and elbow grease, fixing things that buyers wouldn't notice.

Your Realtor can also help you

stage your home—essentially helping you dress your home in it's Sunday best.

In addition to staging, your realtor can also prepare you for the inspection process. Your realtor will have advice on how to prepare for inspections, what the inspector is looking for, and things to expect from inspection.

All of this advice adds up to higher return on your investment. The best impression brings highest offer, and a smooth inspection reduces any repair costs to be taken out of the sale price.



Don't waste time with the little stuff, focus on what really matters.

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REALTY INFORMATION

PROTECTING YOUR INVESTMENT



20 REASONS TO USE A REALTOR



REALTOR®

1. Homes are bought by comparison. I have a large inventory at my disposal through MLS (Multi Listings Service).
2. I am familiar with competitive houses so I can help you position your home well.
3. It is hard to negotiate for yourself. I have experience in writing contracts and can negotiate aggressively on your behalf.
4. Buyers are not always forthright about their financial situation. I insist on pre-qualifying before I even bring you an offer.
5. My lender contacts and mortgage experience help buyers get the financing they need.
6. Most buyers don't want to tell the seller why they don't make an offer. I can probe the buyer or his agent for that information.
7. Any follow up you do with a buyer can be seen as desperation. I follow up as part of my job so that you are not perceived in a compromising light.
8. I can showcase your improvements better so that you don't appear like you are "selling."
9. Most sellers who spend their time as a For Sale By Owner (FSBO) end up by listing in the end. A recent NAR survey found that only 13% of sellers nationally ended up selling by owner.
10. Unqualified buyers can tie up your home. I make sure that doesn't happen.
11. Personality conflicts with a buyer can get in the way. I come between the buyer and the seller so that personalities don't enter in.
12. Most buyers use a REALTOR®, which increases the number of buyers who will see your home.
13. I can mobilize my company agents and other area REALTORS® on your behalf.
14. NAR survey of recent closed sellers found that REALTOR®-assisted sales brought in 38% more sales price than For Sale By Owner sales.
15. A FSBO sign makes you vulnerable for any curiosity seeker or unsavory character. When you list, only buyers accompanied by a REALTOR® will get into your home.
16. Being accessible to show your home limits your personal time and cuts down the available showing time. When you list, your property will be available during normal showing hours and the prospect will always be accompanied by me or another REALTOR®.
17. Additional exposure through MLS and the Internet brings you a higher price.
18. I orchestrate the contract-to-closing process, including the appraisal, buyer-loan process, title, inspections, pest control, survey, etc., taking this burden off of you.
19. I make sure that you are compliant with all laws relating to the sale of your home.
20. I only get paid when I get the job done.

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WHY USE JOA REALTY

A WINNING TEAM ON YOUR SIDE

JOA REALTY SERVES YOU

Joa Realty provides complete and comprehensive representation to our clients. We do this by focusing on each client's individual needs and goals with the sale of their home. Our team works to ensure that each sale is as fast and stress-free as possible.

In order to ensure a speedy and hassle-free sale, we initiate a unique marketing plan for each property to ensure maximum exposure to prospective buyers. We work with buyers agents and individual buyers to negotiate favorable and profitable terms of sale.

In order to provide the most comprehensive service, Joa Realty serves as one stop resource for all of our client's real estate needs. We are here to support to our clients with information and to assist them with any questions or concerns they have.

Joa Realty also considers client contact to be our number one priority and maintains open and accountable communication as well as convenient appoints scheduled around our clients' busy schedules.

SUSIE KANG GRI, BROKER, CCIM, CIPS, CRS, CDPE



Susie Kang,
Broker, CCIM, CRS, CIPS
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Susie Kang has fifteen years experience managing properties in the Austin and Round Rock area and specializes in income producing properties including office buildings, retail shopping centers, and multi family and residential properties.

Prior to her career in real estate commercial investment, she has worked for major technology companies as a design engineer, a product support engineer in Austin, and an elementary school teacher in South Korea.

Susie Received a Bachelor of Science in Electrical Engineering from the University of Illi-

nois and a Bachelor of Education from Incheon Teachers College in South Korea.

Susie is a licensed real estate broker in the State of Texas, and holds designations of CCIM (Certified Commercial Investment Member), CRS (Council of Residential Specialists) and CIPS (Certified International Property Specialist).

She is skilled in applying Feng Shui principles to residential, commercial and office properties to improve wealth, health, and relationships of the residents. She also likes to golf and ball room dance in her leisure time.

UNIQUE SERVICES JOA REALTY PROVIDES:

- **Listing Consultation** to ease your transition into the housing market.
- **Comparable Market Analysis (CMA)** for you home and market area.
- **Home profile book** to be left in entryway with highlights, amenities, maps, etc.
- **Sign and Lock Box** installed for ease of showing.
- **Measurements and Photographs** to get the most accurate information to buyers.
- **Marketing Package** designed for your property including internet, MLS, print, and more.
- **Feng Shui** consultation.
- **Host open houses, meetings with buyers, and meetings with inspectors.**
- **Negotiations directed** to produce a favorable contract.
- **Open and accountable communication with clients** at all times in all stages of their home's sale.
- **Appointments scheduled** considerately for our clients' busy schedule.
- **Closing preparations and compilation** of required documents.
- **Creating custom relocation package** for client's new neighborhood and community.



Guarding your goals.

IDENTIFYING YOUR GOALS

Identifying your goals for the sale of your home is one of the most important steps in the sale of your home. Price, repairs, and closing all come after you have established your goals.

No one wants to be at the closing table and realize that they have not reached their goals with the sale of their home. If this is the case, it is most likely because they did not identify their goals before they started.

In most real estate sales there are two main goals—a desired price or profit, and a desired timeframe for the sale. Sometimes these goals can be compatible and some times they compete.

Joa realty will to help you identify your goals. If you have competing goals, we can serve as a reasoning block to help

you prioritize your goals and achieve maximum outcome.

We will be able to identify your best course of action given your goals so that there is no wasted time or effort. Joa Realty focuses on making these goals a reality. Whether you need to move during a specific time, or you need to get the highest return out of your investment, Joa Realty will work with you to ensure you are able to reach all of your goals.

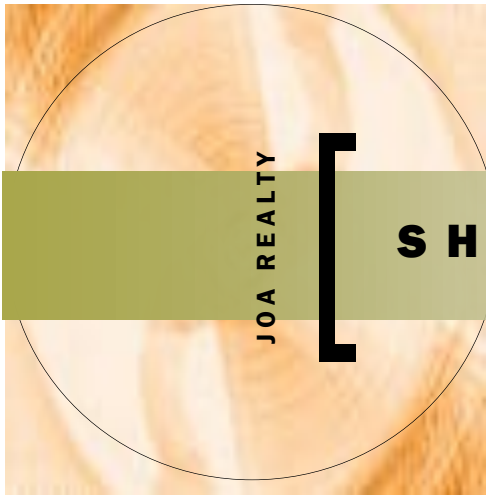
Joa Realty will identify problems that could stand in the way of your goals and offer solutions to overcome them.

Real estate can be very tricky, and without a goal you might find that you have strayed from your path and heading towards the wrong direction.

KEY QUESTIONS

- Is there a time limitation or desired sales date?
- What price or percentage of profit will I need to achieve with this sale?
- Will I be closing on another house, if so, will I need this sale money for the purchase of that house?
- What repairs am I willing to perform to increase my profit margin?





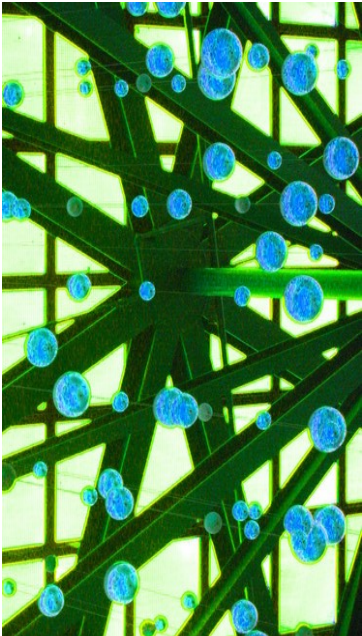
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SHARE YOUR THOUGHTS

WE ARE HERE TO SERVICE YOUR NEEDS

TELL US YOUR REASONS, MOTIVATIONS, AND CONCERNS

Your needs are Joa Realty's number one concern. We will keep these in mind throughout the listing process to ensure that these goals have been achieved. Please share with us any thoughts or concerns you have with the sale of your home so that we are able to better assist you.



Organizing your thoughts feelings and

WHAT ARE YOUR REASONS FOR MOVING AT THIS TIME?

WHAT ARE YOUR GOALS FOR THIS SALE?

HAVE YOU ALREADY LOCATED ANOTHER HOME?

WHAT EXPECTATIONS DO YOU HAVE FOR YOUR LISTING AGENT?

ADDITIONAL COMMENTS:

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WHAT ARE BUYERS LOOKING FOR?

There are certain things that buyers are looking for when they view a home. If you are aware of these things and target them toward these buyers' needs, you will be ahead of the game.

Keep in mind that selling your house will alter the role of your home. Your home will go from providing a cozy environment for your family to creating an inviting impression for potential buyers.

Joa Realty will assist you in identifying areas that need to be highlighted as well as areas that might distract buyers from your home's selling points.

You may refer to the tips and tricks hand-outs to get an idea of what suggestions your agent might make. This should give you a good idea of what to expect, how to budget, and start the process a lot smoother.

The first area of concern to potential buyers is the curb appeal and the home's first impression. Neat and clean properties will make a lasting impression in the buyers' mind, even if that might have not been their specific criteria. In the same way, even if the house is exactly what the buyer is looking for, if it is not clean and neat, it will turn the buyer off.

Buyers need to get a sense of moveability; in other words, they need to feel as though they could move into your property with minimal effort.

Your agent will be able to identify any areas that need to be highlighted for the buyer and any areas that need to be improved or disguised.

In order for your home to be sold at the right price, it needs to look like its worth its price. Despite what you think about your home, buyers are looking at your home with their own ideas in mind so you also need to keep that in mind.

ALWAYS A GOOD BET

- **De-clutter** — straighten all areas, reduce knick-knacks, organize where possible.
- **Cleanse** — clean all surfaces and floors; dust all pictures and collectables, vacuum where necessary, clean all windows.
- **Trim** — mow and edge your yard, weed if necessary, trim hedges and bushes.
- **Repair** — minor leaks, replace any burned out lights, repair any walls that show damage.
- **Paint** — any areas that look distressed. Use neutral colors so the buyer can picture their style in the space.



REMODELING YOUR HOME

HOME SELLING HINTS

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No matter how tough the times get in the current economic recession, and many wondering where and how to invest their money to reap most benefits, some things never change—investing in your home still pays off.

According to the REALTORS® magazine, home owners could expect to recoup a national average of 67.3 percent of their investment in 30 different home improvement projects. Although the construction costs are higher, value of renovation at resale more than makes up for these values.

According to the Cost vs. Value survey con-

ducted by REALTORS®, replacement projects that boost curb appeal—siding, windows, and decks—give you the greatest chance of recouping your money.

Renovation just makes the home selling process easier for both the seller and the buyer. It eliminates the painful negotiations through picking out all of the damages and imperfections in the house for buyers to tick it off the sale price. Just by improving some areas in your home, it will make your life easy as a seller, and buyer more satisfied with their new home.



TOP 10 PROJECTS PAYBACKS

1. Upscale fiber cement siding (86.7%)
2. Midrange wood deck (81.8%)
3. Midrange vinyl siding (80.7%)
4. Upscale foam-backed vinyl (80.4%)
5. Midrange minor kitchen remodel (79.5%)
6. Upscale vinyl window replacement (79.2%)
7. Midrange wood window replacement (77.7%)
8. Midrange vinyl window replacement (77.2%)
9. Upscale wood window replacement (76.5%)
10. Midrange major kitchen remodel (76.0%)

SHOWING YOUR HOME

PRESENTING YOUR PROPERTY

PRIMING AND PRESENTING YOUR PROPERTY

Your home showings will be the first chance that the buyers get to see your property in person. It will be a portal into your home's features.

It is important to direct what impression they leave with. The goal is to have buyer's focus on the home's features, and nothing else. As a seller, you want them to remember the large fireplace, jacuzzi or bathtub, not the dirt behind the sink.

The best way to get buyers to focus on the selling points of your home is to highlight key features, and eliminate all distractions.

This may mean altering a few things. You might have to even rearrange some furniture in order to highlight certain things.

If your home has a fireplace in the living area but the furniture arranged to view a television, you might consider moving the furniture to focus on the fireplace.

Another way to help buyers see your home's good points is to brighten up the space as much as possible. Open all blinds completely to allow maximum light in. This will make interior spaces seem larger. If there is a bad view, get shear window coverings to

let the light in and block the view.

Highlight the entry way. This will be the first thing buyers look at, so make it say "Welcome."

Fresh flowers and lots of light give a home a fresh clean feeling. Fresh flowers are a good idea for all main rooms.

Your realtor will have additional suggestions for preparing and staging your home. Remember that this advice comes from experience and they will be able to explain the reasoning behind all of their suggestions.



Fresh flowers set the tone.



Open your house with all the right stuff.

FOR SHOWINGS

- Make all beds.
- Organize where possible.
- Clean kitchen.
- Open blinds and curtains.
- Put out flowers when possible.
- Put pets in designated area.
- Place house book in entryway.

BUYER FRIENDLY FIXES**HOME SELLING HINTS****SIMPLE AND EASY**

1. Use Accessories to make your living space look brighter, warmer and lovelier.

Mirrors

Plants

Silk Flowers

Floor&Table Lamps

Area and Throw Rugs

Small Love Seats

Ottomans

Pillows

Baskets

Plastic Tables & Chairs

2. Kitchen is the “heart of the home”

- Apply orange oil to cabinets that appear dry, which will renew their original luster
- Put out large bowls of fruit such as polished apples, bright oranges, luscious grapes
- Arrange colorful and fun cookbooks on the counters

3. Rearrange furniture to make plenty of room to walk.

4. Bathrooms should look open, airy and delightful.

- Towels, tied with ribbons
- Scented soaps
- Creamy lotions
- Moisturizing & Facial jar

5. De-personalize!

- Put away all family photos and heirlooms.
- Eliminate exquisite paintings, ornaments, and any other extraordinary artifacts.

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Source: About.com

HOME CHECKLIST

READY FOR THE SHOW

Exterior	Acceptable	Needs Attention
How is the paint condition?		
Are there any holes or cracks?		
Are sidewalks and porches swept?		
Are windows and screens in good condition?		
Is the trim in need of repair?		
Are gutters and downspouts secure and clean?		
Is the front door in need of paint or repair?		

Landscaping	Acceptable	Needs Attention
Are shrubs and trees trimmed?		
Is lawn mowed and edged?		
Are flowers planted?		
Have the beds been weeded?		

Roof	Acceptable	Needs Attention
Are there any leaks?		
Are there any missing shingles or tiles?		
Does the chimney need any repairs?		

H O M E C H E C K L I S T

READY FOR THE SHOW

General	Acceptable	Needs Attention
Do the walls need any repairs or touch up paint?		
Are windows clean (inside and out)?		
Are the floors clean and/or polished?		
Are there any stains on the ceiling?		
Is carpet clean, flat, and free of stains?		
Are drapes clean and functional?		
Are there any squeaky doors, do they open and close easily?		
Are ceiling fans and vents clean?		
Do windows open and close easily?		
Do all of the locks work properly?		
Has the home been deep cleaned?		
Do the faucets leak?		

Kitchen	Acceptable	Needs Attention
Are counters and cabinets clean and in good condition?		
Does the sink need to be recaulked?		
Are all of the appliances working and clean?		
Does the grout need any repair?		

HOME CHECKLIST

READY FOR THE SHOW

Bathrooms	Acceptable	Needs Attention
Is the bathtub clean, does it need to be caulked?		
Is the toilet clean and in good condition?		
Are the mirrors clean and free of chips?		
Are there any slow drains or leaky faucets?		
Is the floor in good condition and free of water damage?		

Bedrooms	Acceptable	Needs Attention
Are closets organized and free of clutter?		

Garage	Acceptable	Needs Attention
Is the garage as clean and organized as possible?		
Does the garage door open and close properly?		
Is the garage well lit?		

Attic	Acceptable	Needs Attention
Is the attic well lit?		
Are the stairs safe and secure?		
Is the attic organized and neat?		
Are there any signs of rodents or insects?		

LANDSCAPING

HOME SELLING HINTS

LITTLE TOUCHES MAKE THE DIFFERENCE

HOW TO IMPROVE CURB APPEAL

- Kill mold and mildew on the house, sidewalks, roof, or driveway.
- Stow away garden implements and tools.
- Clean windows and gutters.
- Pressure wash dirty siding and dingy decks.
- Edge sidewalks and remove vegetation growing between concrete or bricks.
- Mow the lawn. Get rid of weeds.
- Rake and dispose of leaves, even if your lot is wooded.
- Trim tree limbs that are near or touching the home's roof.

For evening curb appeal:

- String low voltage lighting along your driveway, sidewalks, and near important landscaping elements.
- Add a decorative street lamp or an attractive light fixture to a front porch.
- Make sure lighting is visible through front doors and windows.

Today, with so much online marketing, it is highly likely that the first time buyers see your house is through pictures, long before they even take a step into your house.

That means the buyers already have their first impression of your house in mind even before they come to your house! Then, what kind of pictures do the buyers see?

Typically, the picture of the front view of the house is what people look at first automatically. Furthermore, when they do come to your house to view your property, the first thing they see would be the outside view of your house. It is also commonly known as the curb appeal.

You want the buyer to want to come into

the house just by looking at the outside view. Therefore, the curb appeal is of utmost importance in home selling, which unfortunately, so many of the home sellers neglect.

So next time you come home, take a step back and see the outside view of your house from the street objectively. What is your impression of the house? Make a list of problems or areas of improvement that you see.

Also, it is a good idea to take pictures of your house with digital camera and look at the pictures to see it more objectively.

You will be surprised by how much difference these small things make in home sales.





MARKETING

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MAKING BUYERS NOTICE

GETTING THE WORD OUT

The speed and price at which you sell your home are directly affected by how much exposure it receives on the market. For this reason, Joa Realty creates a specialized advertising and marketing package for each of its listings.

Joa Realty's marketing package includes:

- Property Portfolio which includes an introduction of the property, community information, home warranty information, floor plan and dimensions of property, a school map, recreational map, and shopping map.
- MLS listing with description and pictures of the most marketable features of your home.
- Online listing through JoaRealty.com which will include full description, measurements and pictures of your

property.

- Yard sign with the number to our office and website so that buyers can gain information easily and conveniently.
- Public open houses will be held and hosted by your agent.
- Agent open house and tour will be held to show other agents the property so they may get acquainted with it and suggest it to their buyers.

In addition to this package, Joa Realty will also provide a Feng Shui consultation in order to ensure balance and harmony of your home.

Remember that the marketing will greatly affect the sale of your home. Joa Realty's marketing plan has proven itself as an effective tool in home sales.



Market Your Way to the Top



Marketing = Time + Money

WHERE BUYERS ARE LOOKING

- Internet: 87%
- Real estate agent: 85%
- Yard sign: 62%
- Open house: 48%
- Newspaper ad: 47%
- Home book or magazine: 30%

MARKETABILITY**HOME SELLING HINTS****SIMPLE THINGS TO MARKET YOUR HOME****STEP 1**

Prepare the outside of your home. Whether you are going to do a for sale by owner or list your home you need a sign with a phone number. Drive by traffic is a great way to market your home for sale.

STEP 2

Sign up for internet exposure. There are great sites that allow you to market your home online. The only thing with these is you have to pay up front, so this cost is out of pocket.

STEP 3

Hire a real estate agent that is a member of the National Association of Realtors. These members have benefits that include listing your home online for sale at realtor.org. In this option you have no out of pocket expense and only pay if your house sales. Commission is generally added into the price of your home for sale.

STEP 4

Market your home in the local newspaper and home for sale magazines. If someone is looking to buy a home, they will most likely look at the local print.

STEP 5

Use word of mouth. Tell your friends and family that you have a home for sale. They in turn will tell their friends and the word can travel.

STEP 6

Make flyers and place them around town. When you print them, make your phone number a cut out so potential buyers can pull it off and call you at their convenience.

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COMPARABLE MARKET

YOU AND YOUR NEIGHBORS

THE DRIVING FORCE

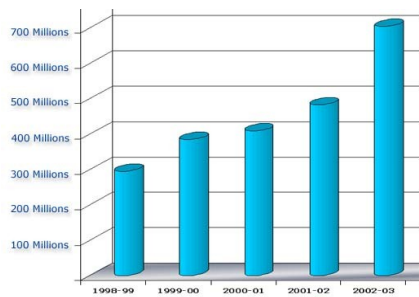
Your market will be one of the most determinant aspect of your home's sales price. Your realtor will be able to give you advice based on the market conditions at the time.

They will most likely use a comparable market analysis (CMA). The CMA is a snapshot of what your market looks like. It enables you to see what other properties are selling for in you area and how they compare to your property.

The CMA is used to compare the most recent sales prices, days on the market, for properties of similar quality,

amenities, size, and location.

The CMA will give you an idea of where you stand in relation to your goals. Are houses in



your area taking longer to sell than you expected? Are they selling for less or more than you expected?

Your CMA is a great source of information relating to all of these topics. It will give you a summary of the market activ-

ity in your neighborhood.

Remember that market conditions dictate price. You should use your CMA to your fullest advantage. It paints a picture of what your marketplace looks like, and where you fit in. The CMA will be specialized for your location and time frame and can prove invaluable when listing your home.

Your agent will use your CMA to determine a general price range recommendation. Your agent is basing this range on their past experience, and your goals.

They will discuss possible outcomes at the different price ranges.



Comparing Your Market

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Market Dictates Price

TO INFINITY AND BEYOND

Pricing can be one of the trickiest parts to listing your home on the market. It will affect who comes to view your property, the return you get on your investment, what negotiating power you have, and a number of other areas.

When you are setting your price, your goals should always be your main focus. You have to keep your goals in your sight in order to reach them.

Your agent will be a great resource and asset to have when deciding on the price of your home. They have experience in the market and are working for you to get you the most money possible.

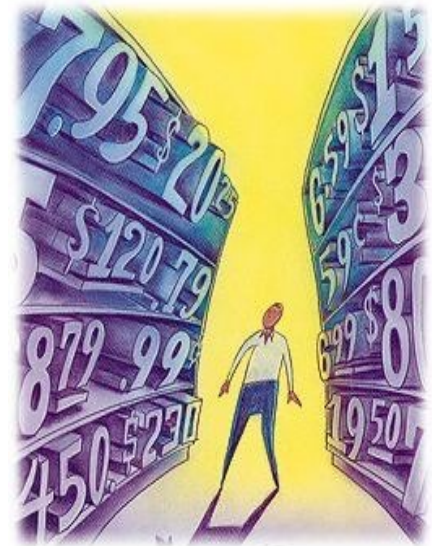
Your agent will determine a general price range and explain the reasoning behind this range. They will explain the benefits and pitfalls of the highs and lows of the range.

Unfortunately, the homes do not dictate

price, the market does. This could be favorable or detrimental. The key factor to keep in mind is that the market dictates price.

A good way to think about pricing is to place yourself in the buyers shoes. If similar homes are selling for less the buyer will be most likely buy the less expensive homes. Unique features that set your home apart from others could add value to your home and entice buyers.

Your best bet for pricing will be to listen to your agent. They will have the experience and knowledge needed to determine your place in the market. They will also be able to back up their recommendations with evidence from your CMA. They will be able to warn you about possible outcomes at different prices and will have your goals in mind.



Shopping for a price.



Make sure your cash cow works for you by pricing effectively.

THINGS TO CONSIDER

- **Urgency of Sale** — Is there a time restraint on the closing of your sale?
- **Comparable Market** — What does the market look like in your area? What are similar properties listed for in your area?
- **Condition** — Is your home in good or poor condition compared to homes listed in your area?
- **Recommendations** — Did your agent suggest anything relating to price and time frame?
- **Investment** — Do you need a certain amount for a down payment etc.?

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PRICING PITFALLS

AVOID AT ALL COSTS

COMPETITIVE PRICING BENEFITS

- **Enthusiasm** — buyers and agents will be much more enthusiastic about your home. They know that it is a viable option and will look at it as such. A buyer is much more likely to view a good deal than a bad one.
- **Shown To Sell, Not Compare** — when a home is competitively priced, prospects are taken there to buy the property, not just to compare it with other correctly priced homes.
- **Speed of Sale** — homes that are competitively priced often sell much quicker. They attract qualified buyers and are competitive in their market and are seen as a good deal.
- **Ultimately Higher Price** — homes that sell in the first 30 days sell at the highest price. That price goes down over time so the longer the property is on the market the farther it will fall from the original asking price.
- **Ability To Move To Next Home** — Often people who are selling their house are planning to move into a new home. They use the profit from their sale toward their new home purchase. The shorter time the home is on the market the faster they will be able to move into their new home.

OVER-PRICING RISKS

- **Minimizing Offers** — if your asking price is too high, you will eliminate possible offers. People who are looking for a home often search in a given price range and if your price is a little too high, they won't even know your out there. Avoid prices just above even numbers such as \$221,000; buyer with a budget of \$220 will not see your listing.
- **Deterring Sales People** — buyers' agents know the market conditions and will be able to spot an over-priced house. This could deter them from showing it to clients because they do not want to lose credibility with their buyers by showing an over priced house.
- **Limiting Financing** — banks only finance a portion of the real value of the house. They will often finance a lower percentage, reducing available financing.
- **Reducing Interest** — homes that are overpriced run the risk of staying on the market for extended periods of time and suffer from lack of interest. There can be a stigma associated with the home as well due to questions regarding why the home hasn't sold.

SHORT SALES

WHAT IS A SHORT SALE?

A short sale is when a lender is willing to take a lesser amount of the mortgage in order to save money from going through a foreclosure process. Lender will be willing to do a short sale only when the borrower is far behind payments and it is not likely to get the amount paid in full.

To qualify as a candidate for a successful short sale, a seller must:

- owe more on the property than the property will sell for in the market;
- be unable to bring funds to closing to pay off the outstanding debt; and
- have a valid hardship that can be documented.

A short sale is not a do-it-yourself project.

A short sale is the one real estate deal that you need an experienced agent or attorney. Not all real estate agents are experienced in short sale so make sure to consult someone with special training and good track record in short sales.

The first step in short sale is the seller will need to prepare a financial package to submit to the bank. Then, the buyers will submit their offers to the bank. When the seller accepts the offer, the bank continues the process. Then, the closing process will take place when all parties and lien holders sign and approve.

Short sale process can be very long and painful, so it takes a lot of patience for all parties including the seller, buyer, and the lender as well.

For the seller, short sale have some consequences that they should be aware of. First, the tax consequences. The lender may have a right to issue you a 1099 for a shorted difference. You should ask a real estate lawyer and a tax accountant to determine the amount of tax consequences, and whether you can afford it or not.

Second, it will blemish your credit report. While it may not be as bad as a foreclosure, creditors may not make any distinction between the two since short sale is a pre-foreclosure that has been redeemed. So before you make a decision on short sale, always consult a legal counsel because a real estate agent cannot give you legal advice.

SELLER'S SHORT SALE PACKAGE

- Letter of authorization, which lets your agent speak to the bank.
- HUD-1 or preliminary net sheet
- Completed financial statement
- Seller's hardship letter
- 2 years of tax returns
- 2 years of W-2s
- Recent payroll stubs
- Last 2 months of bank statements
- Comparative market analysis or list of recent comparable sale



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CLOSING ON YOUR HOME

WHAT TO EXPECT

CLOSING ON YOUR HOME

Once you receive an offer and accept the contract of sale, it will be time to close on your home. This can be one of the most nerve-wrecking points in your home sale. Luckily, your agent and title company will be doing most of the leg work. However, it is always a good idea to come prepared in order to ensure a smooth closing.

On the following page we have included a checklist of all of the things that you will need to gather for the closing, and where these documents will need to be delivered. It is a good idea to gather these documents during the listing time so that once you do receive a contract, you will be ready for the closing.

Once the contract is accepted, you will need to choose a title company or an escrow agent and deliver the contract to them. Earnest money will be deposited into an escrow account through title company. The contract will also need to be given to the buyer's lender if they are not paying in cash.

For your contract, title insurance will need to be purchased to protect against any unforeseen problems that could arise during the title search.

Once these documents are received by the title company, the inspections and loan verification will begin. Once they are completed, all bills for the inspections and surveys along with a letter of satisfaction from the lender will need to be given to the title company so that they can assemble the HUD statement.

Once all of these documents are received, the title company will begin a title search to ensure that the property is yours and there are no outstanding owners or liens on the deed.

Any repairs resulting from the inspection will need to be completed. Home warranties, if applicable, will need to be delivered to the title company.

Once this process is complete, there will be a commitment for the title. An attorney will prepare the deed for transfer. They will also arrange payment for transfer taxes to date.



Hand Over the Keys

Usually all parties need to be present to sign the documents, however, there are a number of ways to accommodate buyers and sellers if they can not be present. Either you or the buyer can assign a power of attorney who will be able to sign in your absence. You can also have the documents over-nighted to you for signatures and notaries.

Once the documents are signed, you will give all keys and garage door openers to the new owner and the title company will disperse the funds from the sale. You should check with your mortgage holder to ensure that your loan is repaid and you have no other debt related to the property.

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CLOSING COSTS**KNOW BEFORE YOU GO**

Service	Conventional Loan	VA Loan	FHA	ASSUMP
Amortization Schedule		20		
Attorney's Fee	140+	300+	140+	150+
Commission	Per Contract	Per Contract	Per Contract	Per Contract
Discount Points	Negotiable	All	Negotiable	
Escrow Fee	150	300	150	150
Interest				Prorated
Messenger Fee	Actual	Actual	Actual	Actual
Owner's Title Policy	Per Rate Schedule	Per Rate Schedule	Per Rate Schedule	Per Rate Schedule
Recording fee	20+	20+	20+	Per Contract
Repairs	Per Contract	Per Contract	Per Contract	Per Contract
Taxes	Prorated	Prorated	Prorated	Prorated
Tax Certificates	40.42	40.42	40.42	40.42
Tax Service Fee		100+	100+	
Termite Inspection		75+		
Underwriting Fee		350+	350+	
Warehouse Fee		Per Lender	Per Lender	
Processing Fee		200+	200+	
Wire Transfer Fee		35+	35+	

All figures are estimates and are subject to change. This might not represent all fee's associated with the closing depending on the contract, lender and title company.

CLOSING TERMS A - N**LEARN THE LINGO**

Fitting together the pieces.

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CLOSING TERMS

Amortization Schedule	Fee buyer pays to lender to originate a new loan. Normally one percent of loan amount.
Owner's Title Policy	Insures buyer against loss due to any defect of the title not expected to or excluded from the policy.
Appraisal Fee	Fee for lender required appraisal to establish property value.
Administrative Fee	Fee charged to process the loan for approval.
Assumption Fee	Fee assessed by the lender to the buyer to assume the seller's existing loan.
Attorney's Fee	Charge for preparation of the release of lien document when seller is paying off existing loan.
Commission	Fee generally paid by seller to real estate agents for sale of property.
Credit Report	Fee assessed by lender for required credit information from credit bureaus.
Discount Points	Points lender charges to increase the investor's yeald. May be paid by either the buyer and/or seller as negotiated per contract. Points fluctuate with mortgage.
Escrow Balance	Buyers purchase of seller's existing reserve account, i.e. taxes and insurance.
Flood Certificate	Required by lender to obtain information designating status of subject property regarding floodplains.
Home Warranty Fee	One-year home systems and appliance warranty.
Homeowner's Assoc. Fee	Maintenance fee assessed property owners within a condo or townhouse complex, a planned unit or a single-family residence subdivision.
Insurance	Premium paid year in advance for buyers hazard or homeowner's policy.
Lender Inspection Fee	As required by lender to determine condition of property.
Lender Required Reserve	Money required by lender, collected at closing, going to its escrow account.
Messenger Fee	Covers delivery charges incurred.
Mortgagee's Title Policy	Required by lender to insure that lender has a valid lien; does not protect buyer. It is also usually required for second mortgages and seller financed transaction.

CLOSING TERMS O - Z**LEARN THE LINGO****CLOSING TERMS**

Origination Fee	Fee buyer pays to lender to originate a new loan. Normally one percent of loan amount.
Owner's Title Policy	Insures buyer against loss due to any defect of the title not expected to or excluded from the policy.
Origination Fee	Fee buyer pays to lender to originate a new loan. Normally one percent of loan amount.
Owner's Title Policy	Insures buyer against loss due to any defect of the title not expected to or excluded from the policy.
Pay Off	Amount needed to pay off existing mortgage lien on property being sold.
Processing Fee	Charge to process loan for application submittal to underwriting.
Recording Fee	Charge by county clerk to record documents in the public records. Charges based on per page recorded.
Repairs	Any repairs required by lender and/or warranted by inspections and to be paid at closing.
Settlement or Closing Fee	Charge by title company to service transaction and to escrow money and documents.
Survey	Land survey required by lender: lot size, easements, encroachments, locations of improvements, etc. May be a negotiated requirement on a cash contract.
Tax Certificates	Issued by taxing authorities to show amount of current year's taxes and the last date that taxes were paid.
Tax Proration	Seller pays buyer from January 1 through day of closing.
Tax Service Fee	Fee required by lender for collection and disbursement of tax escrow by a serving company.
Termite Inspection Fee	Required by lender showing free of active termites. May be negotiated requirement on cash contract.
Underwriting Fee	Fee lender charges for underwriting the loans on behalf of the investor.
VA Funding Fee	An administrative fee charged by the Veterans Administration.
Wire/Funding Fee	Lender's charge for sending "good funds" to the title company.

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