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## SELLING YOUR HOME

Your RE/MAX of Cherry Creek broker is here to help you sell your home for the highest net proceeds, in the shortest amount of time, and with the least amount of stress possible

**RE/MAX**  
of cherry creek  
*because experience matters®*

# THE PROCESS

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Our priority is to make the selling process as smooth as possible and to arm our clients with knowledge of what to expect along the way. With detailed attention throughout the entire process, we ensure our clients are professionally and effectively represented.

## STEP ONE:

### CHOOSE A LISTING AGENT

You need and deserve a professional who works on your behalf and provides a full spectrum of services. As a real estate professional licensed by the State of Colorado, your broker is here to fully represent your fiduciary and ethical interests. Some of the items your broker will handle and help you with during the listing period and throughout the under contract process include:

- Evaluate the market to help determine the best list price
- Help you prepare your home for the marketplace with suggestions on staging, enhancing curb appeal, and addressing needed improvements
- Arrange for professional photos, create brochures, and submit the details of your home to REcolorado (MLS) which will feed to the RE/MAX of Cherry Creek website, Realtor.com, plus other syndicated sites, all of which highlight the best and most unique features of your property
- Keep in communication with you about feedback from other brokers on showings and previews, and update you with general market activity
- Once an offer is received, you and your broker will review the offer, and your broker will negotiate - if necessary - for terms that are acceptable to you. Your broker will stay in close communication with you, the other broker, lender, inspector(s), appraiser, title company, etc. throughout the process of contract to closing.
- Review the Truth in Lending Disclosures with you prior to closing, and be present at the closing when you sign all of the necessary documents
- If you are staying in the area, your broker is there to assist you with finding your new home and can attempt to coordinate that closing to coincide with the sale of your home. If you are moving out of the area, your broker can help you by referring a broker in the city to which you are moving.



## STEP TWO:

### LISTING AGREEMENT

The Exclusive Right-to-Sell Listing Contract is a legal contract approved by the Colorado Real Estate Commission (CREC) for your broker to list your home and represent your best interests.

It sets forth the type of agency representation you want (Seller Agency or Transaction-Brokerage), the price and terms at which you are willing to sell, inclusions and exclusions related to the sale, the amount of commission you will pay when the property sells, plus other important details.

There are additional documents connected with the listing contract that you will need to complete and sign, such as the Seller's Property Disclosure (your full representation as to the condition of the home), Square Footage Disclosure, and Lead Based Paint disclosures if applicable. These forms have all been compiled by the CREC and have been written for the benefit of both sellers and buyers.



### STEP THREE:

## MARKET ANALYSIS

Your broker will provide a thorough competitive market analysis (CMA) that typically includes a discussion of the current overall market conditions as well as a detailed look at homes in your neighborhood that are similar to yours.

When your broker reviews the information with you, it is important to look at currently available homes (your competition), as well as any sold properties that are similar to yours in your area. It is essential to compare all of the details and take into account amenities, upgrades and location.

In order to best meet your goals, your broker will discuss all of these factors when deciding on a list price for your property.

### STEP FOUR:

## PRICING & MARKET VALUE

After reviewing your CMA and the input from your broker, you can price your home appropriately and competitively from the start. A study by the National Association of Realtors® revealed that if homeowners ask for too much more than the market value when they first list their home, their home will typically stay on the market longer and sell for less than the original asking price.

*Ten Reasons for Competitive Pricing:*

- Overpriced properties are overlooked and become stale
- Buyers become wary of possible problems with a property on the market too long
- A delayed reduction in price may mean less money
- Competitively priced properties are shown by more brokers
- Buyers are not willing to waste time, energy or emotions on lengthy negotiations for overpriced properties
- It is easier not having to deal with a large number of showings over a long period of time
- Over-pricing often eliminates serious buyers who won't look at homes out of their price range
- Realistic pricing gives your home an advantage in the marketplace
- The home must appraise for loan purposes or buyers must have cash

Market Value is what a buyer is willing to pay for your house today. To further understand what that means, you also need to consider what market value is NOT:

- What your friend sold his or her house for three years ago or even three months ago
- The value on which your latest tax assessment was based
- What the appraiser said the house was worth when you refinanced a year ago
- What a website like Zillow claims your house is worth
- How much money you need in order to purchase your next home



### Market Values Fluctuate Constantly

*An experienced broker knows and understands current market conditions and is knowledgeable about your specific neighborhood. These factors are extremely valuable in pricing your home for optimum results.*



## Carbon Monoxide Detectors

*Beginning 7/1/2009, Colorado law requires that the seller MUST have these properly installed in all homes that are offered for sale.*

### STEP FIVE:

## PREPARING YOUR HOME TO GO ON THE MARKET

The condition of your home will have a direct bearing on what a buyer is willing to pay for it.

In preparation for listing your property, your broker will discuss the strengths and weaknesses of your home, including possible improvements that could enhance its value and market appeal.

There are many ways to enhance the appeal of your home. While some might be expensive, others are inexpensive, and many may be achieved with a little time and elbow grease. For example:

- A thorough cleaning and de-cluttering will do wonders. You're planning to move anyway, so take time before putting your house on the market to start packing up some of your personal belongings.
- Painting walls and cleaning carpets are two of the "biggest bang-for-your-buck" techniques.
- Plants and fresh flowers (inside and out) will add color and warmth.
- Lighten up rooms by cleaning windows. Open drapes and leave lights on during showings.

Your broker may suggest contacting a professional stager to come to your home and offer more recommendations to give your home the greatest appeal to potential buyers.

### STEP SIX:

## MARKETING YOUR HOME

The goal is to get as many potential buyers as possible into your home.

To accomplish this, your broker will use a broad mix of marketing tools to spotlight the unique attributes and selling points of your home. Some of these tools may include a RE/MAX of Cherry Creek yard sign, professional photos, virtual tours, social media campaigns and brochures.

Web traffic is also a valuable marketing tool. Your listing will be syndicated and exposed to a large number of real estate listing websites when it is entered into REcolorado (MLS).



## STEP SEVEN: SHOWINGS

Other brokers who want to preview or show your home to a potential buyer will typically arrange the date and time with our office.

RE/MAX of Cherry Creek listings are scheduled through Centralized Showing Service (CSS). They will verify that the broker wanting to show your home is currently licensed in the State of Colorado, and only then will they give him or her the lock box code and instructions. You can feel secure allowing people into your home, knowing that they must be accompanied by a licensed real estate broker. If an individual not represented by a Buyer's Agent calls requesting to see your home, your broker will be contacted and will make arrangements to personally show your home.

Your broker will discuss with you the showing options that best fit your needs and schedule. Be sure to mention any situations that would place limits on showings, such as nap times or removing a dog from the property. Most showings are set up with a two hour time block. However, it is your home and schedule, so if a one hour time frame works better for you, be sure to tell your broker.

A record is automatically kept in the CSS system, and you will receive an e-mail after each showing. CSS is also designed to send an e-mail to each showing broker requesting feedback, which will then be passed on to you and your broker when it is received.

**SHOWINGS BY APPOINTMENT:** All brokers will be advised to knock first and leave a business card. If you have requested that they remove their shoes, to be considerate of animals, or to keep specific doors open or closed, they will be given those instructions.

**SHOWINGS WHEN YOU ARE HOME:** It is best if you are not at home during showings. A potential buyer tends to feel more comfortable, stay longer, and is more apt to consider your home favorably if you are not present. If leaving is not feasible, try to go outside or to another part of the home while the buyers are there.

**UNSCHEDULED SHOWINGS:** Do not, under any circumstances, let anyone - whether a broker or not - into your home without a set appointment for which you have received notification. If someone should knock on your door wanting to tour your home, ask them to please leave and call the RE/MAX of Cherry Creek office to set an appointment, or give them a brochure and your broker's card and suggest they call your broker directly. Your safety and the security of your home are of the utmost importance.

## STEP EIGHT:

### CONTRACT NEGOTIATION

What you've been waiting for - *you get an offer on your house!*

In many instances a buyer will not offer exactly what you want. If the presented offer is not to your full satisfaction, your broker is trained in negotiation and can help you and the buyer reach an agreement that is acceptable to both sides, keeping your best interests in mind. After discussing the offer with your broker, together you will create a counterproposal which will be presented to the buyer. Often times, some of your concerns regarding the offer may be addressed between brokers verbally and might take a few days and some back-and-forth discussions. If discussed verbally, and once terms are agreeable to all sides, a formal counterproposal will be written up and signed by all parties, and you will be moving forward.



## STEP NINE:

### EARNEST MONEY, TITLE INSURANCE AND HOA DOCUMENTS

The first dates to be met in a contract are usually obtaining earnest money (deposit) and a title commitment.

The contract will specify the amount of earnest money required and who will hold it in a trust account, which is typically the listing brokerage firm or the title company. Closing Instructions will be signed by all parties at the time of the contract and given to the title company, which authorizes and instructs them to prepare closing documents and settlement services associated with the transaction.

In most instances the seller will select the title company and pay for the title insurance. Standard practice is that the listing broker will provide the title company with a copy of the contract and order the title commitment. When prepared, a copy will then be provided by the title company to all parties of the contract for review.

Note that the contract does provide for the buyer to select the title company, at the buyer's expense, or negotiate the cost.

Title insurance for the buyer will ensure that there are not any past events that could mar the title to the property, such as mechanic's liens, unpaid taxes, clerical errors, defective deeds, or previously unidentified sellers. The title company ensures that the buyer receives clear title to the property at the time of closing.

If your property is within a covenant controlled community you will also be required, per the contract, to provide all of the Homeowners Association (HOA) documents. Such documents include the declarations, by-laws, operating agreements, rules and regulations, and financials.

### Keep Pricing Confidential

*A broker will never reveal the amount of an offer made on home to any other party before the sale is actually closed, and sellers shouldn't either. Neighbors and friends will often ask what the property went under contract for. By answering this question, you let people know what your bottom line is, which could come back to haunt you if that particular contract falls through. It is best to not discuss the subject of price until the deal is closed.*



## STEP TEN: INSPECTION

Once a contract is in place, the buyer will schedule a professional inspection of your home. Even if you have stated in the contract that the home is being sold in “as is” condition, this is a right that the buyer can reserve.

The inspection is an impartial, physical evaluation of the overall condition of the home. Inspectors are expected to identify all observable defects in a property, report them accurately, and recommend the most appropriate way of addressing the conditions.

In addition to the general inspection, it is common for buyers to have one or more of the following inspections also performed:

**RADON TESTING:** Radon is an odorless, colorless gas and not uncommon to be found in many homes in Colorado. If found it can be easily mitigated.

**SEWER SCOPE:** This test alerts you if a sewer line requires service, repair or replacement.

**ROOF CERTIFICATION:** This inspection, performed by a licensed roofer, provides an estimate of the roof’s life expectancy.

Once the inspection is complete, the buyer has the option to purchase the property in “as is” condition, make reasonable repair/replacement requests of the seller, or terminate the contract. If the buyer elects to make requests, this will be done through a written Inspection Objection. You will then decide whether to comply with some or all of the requests or to offer an alternative resolution by means of a written Inspection Resolution. Often there is a considerable amount of negotiation at this time. Keep in mind that an inspector is not a licensed contractor, so evaluation of some items addressed in the inspection request from the buyer may need further evaluation by a licensed contractor, usually at the Seller’s expense.

Your broker will advise you throughout this process and negotiate on your behalf. Remember, the goal is to continue forward with the transaction even if it means some compromising. Most times the buyer will want copies of paid receipts for any work completed and/or associated warranties on or before the date of close.

## **STEP ELEVEN:**

### **BUYER FINANCING, LOAN CONDITIONS, APPRAISAL, SURVEY**

One of the most challenging aspects of the transaction is the buyer's financing and associated requirements of the lender.

Unless the buyer is paying cash, there will be a number of steps that must be completed by the buyer and their lender before the purchase can be completed. Monitoring this process and making sure all the steps are completed in accordance with the contract is a large part of your broker's job.

Once the inspection process is complete, the buyer's lender will order an appraisal of the property. A licensed appraiser, assigned by the lender, will visit the home and compare it to similar sold properties in the same neighborhood from the past 3-6 months.

The purpose of the appraisal is to determine the dollar value of the home. If the appraised value meets or exceeds the purchase price on the contract, the transaction continues to move forward. If the value is lower than the contract price, the buyer's broker may try to negotiate the price down to the appraised value. Your broker will handle these negotiations for you with your input. If you choose not to negotiate, the contract will be terminated per its terms and conditions. Keep in mind however, this same situation will most generally become an issue with any other contract you enter into.

The same situation could apply with an appraisal even if the buyer is paying cash, as the contract may still contain an appraisal condition.

Sometimes the buyer may want a current survey or Improvement Location Certificate (ILC) on the property. Who obtains and pays for this is negotiated in the contract. There may also be instances where this becomes a requirement from the title company or the lender. Typically if one is required, it is for an ILC, which shows the boundary lines and location of buildings, sidewalks, and driveways and is relatively simple. If the survey/ILC identifies any problems or discrepancies, these will be resolved as part of the title process.

Always keep in mind that the buyer reserves the right to terminate the contract if they are unable to complete a step of their loan process or obtain loan approval, provided they comply with the terms and conditions and are within the deadlines agreed to in the contract.



## **STEP TWELVE:**

### **FINAL WALK-THROUGH**

The buyer, along with their broker, will usually do a final walk-through of the property 1 to 3 days prior to closing.

This is for the buyer to make sure the property is in the same condition it was in when the offer was made and to verify that any items that were agreed to be addressed in the inspection resolution have been completed satisfactorily. The time for this will be arranged between the brokers.



## STEP THIRTEEN:

### CLOSING & POSSESSION

Real estate transactions generally close 30 to 60 days after the buyer's offer is accepted. Unless the buyer is paying cash, it is the buyer's lender who will determine the length of time required to process and close the loan.

Before any transaction can close, all of the terms and conditions of the contract must be met, at which point the buyer will bring certified funds or wire the remainder of the cash at closing to the title company (the down payment, less the earnest money already being held). The loan will be funded by wire from the lender, all closing documents prepared by the title company will be signed, ownership will be transferred to the buyer, and your sale will be complete!

As the title company usually handles the closing, they are authorized to collect and disburse funds, prepare the necessary documents, obtain signatures, and perform the duties required after closing, such as recording documents with the county for the transfer of the deed. It is typical in Colorado that all parties involved in the transaction meet at the same time to complete this process; the seller, buyer, both real estate brokers, the buyer's lender and the title company closer. If this is not possible, the buyer and seller can sign separately.

**MAIL-OUT CLOSING:** If you have already moved out of town by the closing date, the title company can overnight the closing package to you and coordinate the completion of the closing.

**POWER OF ATTORNEY:** If you are unable to be at the closing or cannot arrange to sign earlier, please notify your broker immediately. Provided you are comfortable with it, you can give someone power of attorney to sign for you. This needs to be completed well in advance of the closing date. The title company will prepare this document which then must be signed and notarized, and approved by the title company and the lender.

In most instances, the buyer takes possession of the property at closing, following the delivery of deed and funding. However, this is negotiable and will be determined at the time you sign and accept the contract. The Colorado Real Estate Commission (CREC) requires that if the seller remains in the property after the date of close, per the contract, a Post Close Occupancy Agreement must be signed by all parties. This agreement details such items as who will pay for utilities during this period, how much the seller will pay the buyer for remaining in the property, and who will pay for insurance and what type of coverage will be maintained. Since these items can become another area of negotiation, this agreement must be completed and signed by all parties at the time of the contract.

When you do turn over possession to the buyer make sure you perform any final items you have agreed to, remove any trash, and leave the property in "broom-clean" condition. Leave any extra keys not already given to the buyer at closing, the garage remote(s), appliance manuals etc. on the counter.