

A Starter Guide to Selling Your House

Presented by Joe Lamoglia, ChFC®, Vice President

From the moment you decide to sell to the day you hand over the keys, selling a home is often unpredictable and time consuming. By being as prepared as possible, you can keep the process moving and achieve the optimal price in the current market.

1) Decide when to sell. You may not have flexibility on timing if, say, you need to buy another home to make room for a new baby or if your employer is transferring you out of state. If you do have a say, however, you'll want to try to sell your house at the ideal time. Typically, homes sell quicker and at higher prices when the real estate market favors sellers (i.e., when homebuyers are plentiful and homes are scarce). When you put your home on the market can also make a difference. Sales usually heat up in late winter and early spring because many homebuyers prefer to move in the spring and summer.

2) Declutter and spruce up. Take time to get your home in top condition before trying to sell it—but don't get carried away. You'll want to hold off on any major home improvements (e.g., renovating the kitchen) because you probably won't be able to recoup the money and prospective buyers might not share your taste. Focus instead on minor, cosmetic improvements, such as applying a fresh coat of paint, trimming back overgrowth in your landscape, and repairing issues that wouldn't pass inspection, such as fixing a leaky kitchen faucet or replacing loose bathroom tiles. Also, undertake a thorough cleaning—you may want to hire a professional cleaning service to do it for you.

3) Weigh the pros and cons of using a real estate broker versus selling yourself. Most people hire a real estate broker to help them sell their home, which can be particularly helpful if you don't have the time or expertise to correctly price your home, market it, and bring in potential buyers. More important, a broker will focus on buyers who have prequalified for a mortgage, which can save time and money.

This expertise does come at a price—6 percent of a home's sale amount, on average. If you decide to hire a broker to help you sell your home, here are suggestions on how to find one:

- Ask friends and relatives who have recently sold homes for recommendations.
- Find out which brokers and agents work in your area by searching on social media, homebuyers magazines, and the internet.
- Ask other types of real estate professionals (e.g., lawyers and mortgage brokers) for the names of brokers they recommend.

Although doing it yourself (commonly referred to as a FSBO, or "for sale by owner") saves on broker's fees and commissions, it requires more legwork. You'll need to advertise that your home is for sale (e.g., lawn signs and online listings), show it to prospective buyers (e.g., hold an open house and make appointments for showings), and deal with the buyer during negotiations. You'll also need to supply the necessary forms and/or contracts (though you can hire a real estate attorney to draw these up).

4) Do your research before pricing your home. Setting the right price matters; it shouldn't be so high that your house won't sell or so low that you'll miss out on profit. A real estate broker can help determine the right price. To have confidence in the price attached to your listing, research the sale prices of comparable homes in your area by visiting popular home search sites. You may even want to hire a professional appraiser to help determine your asking price.

5) Prepare to negotiate. If you hire a broker, all offers and counteroffers are presented through your agent, so you'll probably avoid face-to-face negotiations with potential buyers. If you're selling your home on your own, you'll be in charge of negotiating. Be flexible as you review offers, but don't jump to accept the first offer you get—especially if it's below your asking price.

6) Factor in your financial situation before signing anything. Accommodations can be made if you're buying another home and need to come up with a down payment before receiving the proceeds from the sale of your current home. Ask your lender about a bridge loan, which is a short-term mortgage that is paid off once the sale of your home is complete. If necessary, include a closing-on-sale contingency clause in your contract, which allows you to delay the closing on your new home for a certain period of time while you find a buyer for your current home. If you can't find a buyer within the allotted time frame, the purchase contract is canceled and any deposits are returned to you (unless you and the seller agree to extend the agreement).

In addition, be sure to consider the tax implications of selling your home. Most sellers can exclude from taxation some or all of the capital gains they realize (up to \$250,000 for single filers and up to \$500,000 for married couples filing jointly) upon selling their primary residence. See [IRS Publication 523, Selling Your Home](#) for details.

Finalizing the Deal

After agreeing to terms with the buyer and deciding how to handle the proceeds, closing is the final step. Your main responsibility will be to make sure that any agreed-upon repairs have been made and that the buyer is getting clear title to the home. Make sure that all of the paperwork is in order—your attorney, who should attend the closing with you, can handle this for you. Then, it's time to celebrate a done deal!

This material has been provided for general informational purposes only and does not constitute either tax or legal advice. Although we go to great lengths to make sure our information is accurate and useful, we recommend you consult a tax preparer, professional tax advisor, or lawyer.

Adapted with permission from Broadridge Advisor Solutions.

###

Joe Lamoglia, ChFC®, Vice President is located at Potomac Financial Private Client Group, LLC, 11130 Sunrise Valley Drive, Suite 130, Reston, VA 20191 and can be reached at 703.891.9960 The financial consultants of Potomac Financial Private Client Group, LLC are Registered Representatives with/and offer securities and advisory services through Commonwealth Financial Network, Member FINRA/SIPC, a Registered Investment Adviser. Fixed insurance products and services offered through CES Insurance Agency.

© 2021 Commonwealth Financial Network®