

7 Mistakes to Avoid When Selling Your Home

Selling your home is a complicated process. It's natural to feel overwhelmed by the magnitude of details involved, but the experience can be very manageable—and educational!—when broken down into its component parts and plotted out into steps. The following is a list of common pitfalls encountered during the home-selling process. Use these as a guide to help your journey remain a smooth one.

1. Faulty Pricing:

It is essential you determine the asking price of your home based on its market value. Too many times home-sellers let emotions or needs influence their asking price, drawing from numbers based on the price paid for the house originally, or the amount of money they've invested in the home. This mistake may prove to be a costly one. If your home is priced significantly higher than what the market is bearing at the time, prospective buyers interested in your style of home will reject it for larger homes listed at the same price. And, those buyers who do see your house may have significantly higher expectations than what you have to offer. Ironically, over-pricing your home actually increases the chances that your home will sell for less than it is worth. Driving prospective buyers away will increase the amount of time your home stays on the market, which raises an additional red flag for buyers. They become wary of the reasons your home has not sold, thinking, "If no one else has bought it, there must be something wrong with it." The bottom line: price it correctly, and they will come.

Be vigilant, too, of pricing your home too low: a lack of market value awareness could result in selling your home for much less than it's worth.

2. Neglecting to showcase your home:

Take the time to ensure you're offering the best possible first impression of your home to buyers. A few improvements done to your home before placing it on the market can increase the chances of selling quickly, and for more money. When buyers spot an area of your home in need of repair, they consider this perceived cost when deciding upon an offer price—if they haven't already been scared away. And since buyers often aren't sure about the cost involved for repairs, they will create a larger margin for error in their asking price. Sellers are always better off dealing with these repairs themselves.

In addition to taking care of fix-ups, make sure the house is clean and welcoming, and the yard is well-groomed.

3. Choosing the wrong realtor:

Many sellers choose the realtor who tells them the highest asking price. This should never be the sole basis on which you choose a realtor—you must have confidence in the full spectrum of your realtor's experience and abilities. Keep the following questions in mind: can this agent explain to you all aspects of the selling process? Does s/he have a good grasp of the market? Does s/he have access to a large pool of buyers and a marketing plan to attract them? An experienced realtor will usually cost the same as an inexperienced realtor, and holding out for experience could mean more security that your ultimate home-selling goals will be attained.

4. Trying to “Hard Sell” During Showing:

Buying a home can be an emotional and stressful decision, and potential home-buyers don't want to feel pressured when viewing a home. So, let your home speak for itself. Allow potential home-buyers to comfortably view the house and property. Don't try haggling or pointing out every improvement you've made. Good realtors let buyers discover the house for themselves, only pointing out features they're sure will be of interest, and being receptive to any questions the buyers might have.

5. Mistaking “Lookers” for “Buyers”:

Some people who look at your home may not be serious about buying. Many who view homes may just be getting a feel for the market, gathering ideas for “showcasing” their own home, or even just looking for decorating tips. Of the people who are looking to buy, those who do not come through a realtor can be 6 to 12 months away from buying. They may still be in the process of selling their own home, or saving money for a new one.

An experienced realtor is trained to separate the “Lookers” from the “Buyers.” Realtors should usually establish a potential buyer's savings, credit rating, and purchasing power. If your realtor hasn't looked into a buyer's financial background, you should take the time to investigate. This will save you valuable time in marketing toward the wrong people.

6. Limiting the marketing and advertising of the property:

A good realtor will ensure that your property is showcased and marketed in the best, most effective manner possible, employing a wide spectrum of marketing techniques. He or she should be committed to selling your property, making the effort to distinguish your home from the hundreds of other homes on the market. Most calls are received—and viewings scheduled—during business hours, so your realtor should be available to field these calls from prospective buyers. Lack of realtor availability, limited viewing times, not allowing a “For Sale” sign on your front lawn, can all affect the exposure your home gets to the pool of potential buyers, and will ultimately affect your bottom line.

7. Being unaware of your rights and responsibilities:

It is essential that you are thoroughly aware of the details involved in your real estate contract. These contracts are often complex—but no matter how confusing and convoluted the language, the contract is legally binding. As you soon as you sign your name, you are responsible for all of its contents. Not knowing your responsibilities could cost you thousands in repairs and inspections. Have an experienced realtor explain the contract to you, or get your lawyer to review it, before you accept.