

HOW TO SELL YOUR HOME FOR A PROFIT

This eBook brought to you by:
Buy-Ebook.com

Our site has got a great collection of the best ebooks which are sold on the Internet, but at a lower price than on any other site.

Affiliates

Earn 60% Commission On Every Sale! We sell 500+ eBooks.

As a Buy-Ebook.com Associate, we will pay you a Massive 60% referral fee for every sale that you generate. You can [sign up for FREE](#) and start making money straight away.

If you want to directly link to some ebooks related to content of your site, [get affiliate link here](#). Choose any from 500+ titles.

NOTE:

If you Would like to Offer this Ebook to Your Web Site Visitors as a FREE Download, then please do so. You can post this ebook to your web site, offer it in your newsletter, print it out as a book, give it to your friends, etc. No royalties are necessary. Give it away or offer it as a bonus with your products. You are not allowed to make any changes to it without permission.

The Author, his publishers, agents, resellers or distributors assume no liability or responsibility to any person or entity with respect to any loss or damage or alleged to be caused directly or indirectly by the use of and the advice given in this publication. It is recommended that the users of this publication seek legal, accounting and other independent professional business advice

before starting a business or acting upon any advice given. This book is not intended for use as a source of legal, business, accounting or financial advice, but is distribute for information purposes only.

HOW TO SELL YOUR HOME FOR A PROFIT

Making Your Home Worth More

Before you consider what your asking price should be, emphasize to yourself that your home is going to be subjected to a very critical inspection. Home seekers shy away from a house that is only slightly in need of repair. It will be to your economic advantage to:

1. 1. Make it more readily salable;
- (2) Increase its sales value as much as possible.

A clean and attractive home, in a good state of repair, offered at its fair market price and for which reasonable financing is available, is almost sold. Let us analyze some frequently overlooked physical features which you should be sure to examine and correct if you find them faulty.

Clashing proverbs are: "Don't judge a book by its cover," and "First impressions are lasting." In selling a home, either the exterior or the interior can prove fatal to the transaction. Both proverbs are applicable.

EXTERIOR

When a home hunter drives by and sees your "FOR SALE" sign in front of your home, the home starts selling itself or hindering its sale. Getting him inside to inspect is your first hurdle because no one will buy a house without having first inspected it. To induce this essential entrance you must:

- (1) Keep the lawn fertilized and watered, the shrubbery neatly trimmed, and the grass smoothly mowed and carefully edged;
- (2) Remove from the grounds all trash, papers, leaves, and all other cluttering materials;
- (3) Collect toys and garden tools scattered about your "FOR SALE" premises. If you cannot hide the toys entirely, put them in the nursery. Store the tools in an appropriate location and position them orderly;
- (4) Notice puddling, stagnation, corrosion, clogging and other drainage difficulties which tend to develop on most lots and to reduce their market values; take necessary corrective action, or suffer the depreciation;

(5) Take a critical look at your fences and gates. (Are they shabby? If so, either repair them or, when they are neither decorative nor really needed, remove them entirely.) (6) Repair holes in the driveway, or in other concrete, asphalt or masonry improvements;

(7) Paint and otherwise redecorate all surfaces which

reflect unfavorably upon the premises. (Peeling paint indicates poor maintenance.)

8. 8. Look at that roof! If you see any broken shingles, or shingles of an off color from which leak repairs can be inferred, eaves, cornices, gutters or downspout needing attention, get them shipshape before inspection;

(9) Get in your car and drive up and down the road looking at it. If you see anything else that needs corrective action, fix it before you put up that "FOR SALE" sign.

INTERIOR

Now that your prospect has crossed the threshold, satisfied (we hope) with the outside features of your home, what are you going to show him on the inside? Your chances of realizing a satisfactory sale at a reasonable price will suffer if you show him any of the following:

(1) Faded or water-circled walls. (Redecorate with pastel colors.)

(2) Scuffed or scarred woodwork. (Repair and re-paint it.)

3. 3. Worn floors. (Recover, or sand and refinish them.)

(4) Loose handrails. (Tighten them.)

(5) Sticking doors, windows and drawers. (Plane the binds and use a non-smearing lubricant where needed.)

(6) Leaky plumbing, including dripping faucets with water discolored enamel in tub or lavatory,

(7) Worn old-style kitchen or bathroom. (Remodel and increase your market value.)

(8) Dim lighting, or lighting equipment that will not shine brightly when turned on, whether because of defective switches, or wiring, smudged bulbs, or whatever it may be.

(9) Any kind of a defective lock, hook, catch, or other mechanical device, even though minor.

(10) Any accumulation of junk, including valuable possessions which look like junk or piles of rags, anywhere from the attic to the subbasement (if any). (Store personal property as neatly as you see it in first class department stores.)

(11) Overstuffed closets which appear inadequate because of the quantity of stuffing.

(12) Stairs cluttered with roller skates, or other tripping or unsightly objects.

(13) Glass in doors and windows obscured on the outside by age-old accumulations of smog and/or inside by domestic dust, soots and steam-borne greases from cooking utensils in operation. (Make money by cleaning them or having it done.)

(14) Venetian blinds with ragged tapes or dust-caked slats.

(15) Wet basement. (Seal it or divert the leakage, if you can.)

(16) Have property inspected for termites.

(17) Just ONE innocent fleeing cockroach! Oh, brother! Etc.

Let me illustrate an "Etc:"

Once upon a time we lived in a nice home with three bedrooms, two baths, and a full basement, located on an average sized lot for suburban Washington. We found another house in a nearby subdivision situated on a much bigger lot, which we wanted. We had made all preparations, as aforementioned specifically, to sell our home. The neighborhood was desirable, the schools and public transportation were excellent, and the house was convenient to a large shopping center.

To establish a fair market value, we had it appraised by both the Federal Housing Administration (FHA for \$35.00) and the Veterans Administration (VA for \$25.00). (Ask for current charges.) The two federal agencies were virtually in agreement at a reasonable price which was satisfactory to us. We planned to sell our equity (interest) in the home we were living in and to invest the proceeds in the premises we wanted. We needed the money.

After having sold so many of such houses I was so sure we could sell almost immediately, I neglected to have a contingency clause entered into the new contract. In effect, such a contingency clause would have said, "We shall not be obligated to buy the new place unless and until we can sell and get the money for our equity in the old place." We offered the prepared home on the very active open market which was really overglutted with anxious buyers. Many prospects came, all bright eyed and eager, and equally as many left without buying. "Oh, it is exactly what we are looking for and in the neighborhood we want but--uh-er--oh-" was the general gist of the comments of prospect after prospect. When we would try to close the transaction we knew positively that it would be to the advantage of the prospects, to go ahead and buy, but no. They each would finally mutter some phoney excuse, such as, "We'll have to talk it over with

grandma. She might not like that linen closet." Such active eager beginners and monotonous enders continued coming and going for six excruciating weeks, during which we needed to be doing something else fast. I had to get the money somewhere else and pay for the new house. We moved into it.

No home can be sold suddenly unless it is attended while being advertised. We really shined up the vacant house and stayed with it.

One day, while mulling around in a state of distraction, I decided to seek the cause of our continuing fiasco by switching from my usual procedure to a rather anxious determination to find out why all of that stream of people, each couple of whom needed the place, were reluctantly rejecting what I knew was a very reasonable offer. I pointed

out the minor disadvantages and confessed any faults which a prospect mentioned which I may have overlooked; then I began insisting upon more objections. A few shrugged and moved on. At long last, a husband and wife responded almost simultaneously, "That kitchen floor squeaks," the man said. "I just can't stand a squeaking floor," the wife agreed.

"Oh," I exclaimed almost gleefully. "I shall be very happy to stop that squeak. We heard it as it developed and became so used to it, we simply overlooked taking care of it."

"If you'll guarantee to stop that squeak," the husband said as his wife nodded, "We'll gladly buy this home." "Guaranteed," I promised. "I guarantee you that it will never squeak again and I will put it right into the contract." They began immediately and delightfully the planning of how they would place their furniture while I wrote out the contract. They had a good buy.

I called our carpenter and said, "Hey, Felix, go by that home we've just vacated and stop the squeaking of the kitchen floor. I don't care how much it may cost." The next day the carpenter dropped a bill at my office: "Screws... \$6.00; Labor...\$20.00."

The happy family still lives in the house and if the floor has ever squeaked again, they have never squawked about it.

It is always better to make minor repairs before filing your application to get your home appraised which should come before you offer it for sale.

TAX CONSIDERATIONS

If the expenses you incur in making your home worth more are scheduled to comply with the deduction provisions of the internal revenue laws, you should deduct them from the profit you report as income on your income tax return.

Currently, it appears that they must have been incurred not more than 90 days prior to sale and they must have been paid for within 30 days after sale.

However, CAUTION: These taxing laws and regulations are in an ever agitating state of flux. Do NOT rely upon anything herein stated as legal advice or as tax consultation. This is barely enough information at this point for you to know to ask your lawyer, or your accountant.

True Market Value

Of utmost interest to you as a potential home seller is how much money you can get for the place, or for your equity (interest) therein. There are many erudite definitions of market value, price and appraisal, but as a practical matter, the federal government's two big housing agencies, the Veterans Administration and the Federal Housing Administration, have so dominated the appraisal field for so long it is usually quite difficult to sell a home for much more than the appraised value as set by VA or FHA, or by a reputable independent appraiser.

Appraisal is not an exact science and the best appraisers will vary normally within a range of some 2% to 3%. In my opinion, this is enough to make it wise to get more than one appraisal.

The market price of your home is what you can get for it in terms of money, and the market value is what it is actually worth. Such price and value may vary slightly.

Since the cost of getting a professional appraisal is very

reasonable, as aforementioned in connection with our selling the house with the squeaky kitchen floors, hereinafter let us assume that you have sufficient appraisals. Be sure that you understand the essentiality of getting at least one appraisal. Let us emphasize why it is SO important:

House hunters are inclined to become sufficiently acquainted with available homes that, by comparison, they themselves become fairly good appraisers. They examine your part of the supply and measure it by their own yard stick of demand. If you can show them a VA or FHA appraisal, at, approximate asking price, ordinarily they will be inclined to accept it as a fair representation of market value.

If several offered homes are considered by prospective purchasers as providing equal advantages, and selection must be made upon superficial differences, logic will usually entice them into selecting the one with the lowest price tag. Everybody wants to get the most for the least.

Because the market is always restless, rising or falling, what you paid for your home is of interest only to you. If you were oversold, you may have to deflate your anticipations. Nothing is more important in preparation for anything than knowing and learning the facts. The improvements (if any) you have added will be considered in the evaluations to be made by the appraiser, but what they may have cost you is inconsequential. Of course, you want a reasonable profit, but your prospect will not be straining at his purse strings to give you one.

As you have been depositing mostly wear and tear, only inflation or some influx such as that caused by the population explosion, or by the suburban spread, can ever afford you a profit on your aging home. Of course, labor expended upon beautification is an asset for which you will be compensated, more or less, when you sell. Labor constitutes a part of your investment.

The prices at which several similar homes in your neighborhood, or in like neighborhoods, have sold is one of the foundation stones of sound appraisal, but the big secret lying in this problem is discovering true comparability standards. It will probably present you with difficulties which will cost you more to overcome than a professional appraiser will cost you. You may know what Jones on the next corner was asking for his house, but do you know what he really sold it for? Seldom is the asking price also the selling price.

Appraisal will serve a three-fold purpose:

- (1) As your guide to value;
- (2) As evidence sufficient to convince reasonable potential purchasers that your price is right; and
- (3) As proof of the amount VA, or FHA, respectively to its own appraisal, will underwrite to finance a qualified buyer.

You may find it preferable to employ the appraisal services of a well known Realtor, or those of an independent appraiser. It is a part of their business to know, or to be able to determine readily, the price at which any particular property within his area of operation can be sold. Rules to guide you:

- (1) Always demand that an appraisal be made in writing.
- (2) Never ask for a free appraisal.
3. 3. Ignore the claim of any broker who claims he can sell your property for more than anyone else can get for it.

If a broker asks for an abnormally high commission for selling your real estate, at a price well above the market value, avoid him until you find out what is unusual about your property. You may find it wise to continue to avoid him because, while proposing to become your agent, he is not being fair and open with you. If he really knows of some development that will increase the selling price, which is unknown to others, you will do well to find out what it is before you sell or make any committal to an agent. You should not sell through a sneak. Zoning changes on busy streets, or on potentially busy streets may be imminent. Your property could be lying athwart impending right of way plans for a new super-highway. The planners of a new high-rise apartment building may have employed the broker to get your land as cheaply as possible. Find out what the facts are. Usually you can discover the truth by inquiring of your local planning agency.

If you have any clue whatsoever that any of the foregoing possibilities are probable, without hesitation you should employ an independent professional appraiser, who will charge you comparatively little, and who has "no axe to grind." His compensation should be solely what you pay him. FHA and VA appraisers cannot evaluate contingencies, while your independent appraiser should show on his report the value of your property at the highest and best use to which it is adaptable, including possible future value.

- (4) Do not overprice your property unless you are willing to delay sale until inflation catches up with you. Many a city lot was once a briar patch in a vast field but if you want

to sell a rural briar patch as a city lot you are going to have to wait until the city comes to you.

(5) In pricing your own property, when you are seeking quick sale, consider that if you should put it into the hands of an agent, he would insist upon it being priced realistically. He could not afford to waste very valuable time trying to sell something he knows he cannot move without cheating somebody. He needs customer goodwill. When grossly overpriced property is offered on the market,

its sale is almost always delayed and delayed until it sells at a price under its fair market value.

(6) Do not let a speculator who impersonates a homeseeker, hammer you down below market value. Some experts favor a 5% over-appraisal pricing policy. I do not recommend this to a person selling his own home because he will need to show the FHA and VA appraisal reports to establish his fair pricing.

(7) You should expect your best prospects to be among those who are first attracted to your offering. Customarily the early comers have been waiting for a satisfactory house to become available in your neighborhood and it is quite probable that some of them will have a compelling reason to step forward at their first opportunity.

(8) Expect those who come early to know values and to scare off at the first sound of gross overpricing. A scared customer is very much like a scared rabbit, he runs off and seldom comes back.

(9) Do not expect a prospect to bargain with you as most prospects are inclined to haggle with a real estate agent. They are inclined to think they know value and that the agent has fudged up on them a little bit, which may be true, while your prospect may be inclined to doubt that you are so educated.

Mechanics for obtaining appraisal:

(10) For VA appraisal, get the appropriate form directly from the Veterans Administration. You need not be a veteran to get it. You need not actually have your house up for sale. Refer to the form as a "Request for Determination of Reasonable Value." It is easy to comply with the instructions for executing the request;

(11) Apply for FHA appraisal through a lending agency. Do not apply directly to the Federal Housing Administration. If you do not know a mortgage banker, ask the customer counselor at your regular bank for advice on procedure; or

(12) Find the listing of an independent appraiser in the yellow pages of your telephone directory, or ask some member of your local real estate board to recommend an appraiser.

Price sells property. A realistic price of desirable premises should produce a quick and satisfactory sale. Over pricing will at best delay your sale and will tend to reduce the price to some point below fair market value at eventual sale. When a home stays too long on the market, everybody decides something is wrong with it and, in fact it does become shopworn just as do goods, wares and merchandise.

(13) Submit a house location survey to whichever appraiser you use. If you do not have one and there is a loan on your home at the present time, the mortgagee should have this survey, and you probably can get a copy from him. If it is a VA or an FHA appraisal for which you are applying, the old survey is satisfactory for appraisal purposes. However, to satisfy the new mortgagee making a loan guaranteed by VA or insured by FHA, the purchaser will be obliged to get a new survey recertified.

(14) Supply the assessed value information as shown on your tax assessment statement.

Salesmanship

Do not misunderstand this section and reach the conclusion that this whole book implies that you should keep quiet continually, the following old story is very much in order to emphasize what you should not do:

An enterprising farmer, before leaving his first born sitting on the spring seat of a spring wagon loaded with hard to-sell apples, said, "Jody, you're a fool, talking your fool head off all the time. While I'm gone keep your fool tater trap shut so's nobody'll know you're a fool."

Two men approached and alternately said, "Sonny, nice apples ... Are they for sale? ... He must be deaf ... We can pay you a real good price for the whole load ... What's your pa? ...Huh?, he's a fool."

The potential buyers left and the farmer returned: "Did you keep your mouth shut so people won't know you're a fool? Huh?" "Yep, but they found it out anyhow."

In this section we are not saying you are a fool nor for you to keep your mouth shut when politeness and good sense demand articulation. To be successful you must always be courteous and helpful.

You will be greeting homeseekers with varied experiences and each individual, including each spouse when accompanied by the other, will require some variation of discourse. Therefore, it is impossible to establish any hard and fast rules. If you glean here from the touch of the general ideas explained you will improve your chances of success in selling your home. Categorically, more potential home buyers are repelled by unnecessary talk than by all other causes combined.

Answering a prospect's questions correctly is an integral part of the selling procedure. You can not know too much about the home you want to sell, too many facts concerning the neighborhood, too many details concerning the financing of the necessary indebtedness, or too much with respect to writing the contract, but you can talk yourself out of a possible and fair sale by babbling away about any of these important matters. The secret is to know a lot, as nearly all there is to know regarding your property as is possible, but limit your talk to what IS necessary--while being courteous and helpful.

Knowing well the details will increase your probabilities of success by (1) creating, or enhancing, your own enthusiasm without which you will probably fail, (2) making you more courageous, (3) enabling you to ameliorate objections by answering questions promptly but calmly and making such explanations as may be appropriate, (4) promoting your prospects' confidence in you.

Do not try for qualification too early. Various people vary vastly in their reactions to direct questions asked them concerning their incomes and assets. Do not try to judge financial status by such popular indices as the clothing worn by the prospects or by the appearance of the car in which they arrive. During the first showing, just assume that each couple is qualified to buy your home unless you hear something to the contrary.

When people go out looking for a home they are inclined to be at least partially "sold" on the many advantages to be derived from home ownership. However, when couples are making their first faltering inspections of homes, and toying with the idea of buying one, they are, at least so far, weighted on the negative side of the scales of decision. Negative because they have not yet acted. It is natural for them to doubt that buying is the right thing for them to do. If by their questions and their actions they afford you the opportunity, you should immediately and effectively "sell the apples." You should be able to point out some of the strong points in favor of their owning their own home, such as the following:

1. 1. A well bought home is in reality a forced savings account.
2. 2. Your home is the very best investment you can ever make. Payments made on an amortizing mortgage obligation is buying something very dear: not so are payments made as rent--Rent money is buying something, perhaps the place you live, but for somebody else. As you pay off your installments you keep on owning your home more and more. Conversely, rent payments are inclined to go up and up, and you keep owning less and less.
3. 3. Your own home insures you against inflation. If your money is in the bank the value of your dollar shrinks as prices rise, but money invested in a home increases in dollars in almost direct coordination with the progress of inflation.
4. 4. As a home owner you will enjoy a tax advantage because real estate taxes and mortgage interest payments are deductible from the income upon which you must pay income taxes: contrarily, rent receipts are not deductible from anything, except your bank account.
5. 5. Buying a home has helped more people get started on the road to financial independence than has any other form of investment.
6. 6. A home in a nice neighborhood provides children with proper environmental surroundings, which they shall never forget and will always cherish. Your family will be living among responsible home owners with inherently good backgrounds, very much like your own. You will establish among them life long friendships. "You take root."
7. 7. Home owners, as such, enjoy a satisfying peace of mind not otherwise obtainable. The knowledge that you have provided a home for your family is ever

gratifying, and every member will experience the soul stirring pride of living in their very own home.

8. 8. The enjoyable responsibilities of home ownership tends to mold character, develop self-reliance, accumulate financial independence, and create a substantial credit rating.
9. 9. As a home owner you will become recognized as a solid foundation stone of your community.
10. 10. You can stick in your green thumb and pluck off a plump plum from your own plum tree (and out rhyme Jack Horner), green up the shrubbery, lawn and garden during green up time, and experience the thrill of eating vegetables grown in and gathered from your own plot of garden.
11. 11. The chef in you will delight in tantalizing the appetites of your neighbors when they whiff the afternoon air hanging heavy with the rich aroma billowing up from your barbecue pit you will have built in the backyard.
12. 12. As a stone mason you can build your own spacious patio and there serve visitors in the cool of the evening.
13. 13. As your fortunes improve you can expedite the mortgage payments on your home and gain thereby a confident sense of ever faster growing security.
14. 14. Because you must occupy and use real estate, you cannot avoid paying for a home whether you rent or buy. Only by buying will you own it.
15. 15. When your working days are over you will have a home in which to live, or to rent and increase your retirement income, or to exchange for the house of your dreams in the vacation land where you expect to spend your golden years.

Sell home ownership because it will help you sell your home.

SHOWING THE HOME

Rules for showing the home to the prospect include:

1. 1. During inspection, keep the number of persons present as low as is possible. (When several people are stirring around in a house, it is only natural for prospects to become uncomfortable and to feel that they are intruding.)
 2. 2. When it is dark outside--nighttime or dreary daytime--switch on the lights before any prospect appears.
 3. 3. Quiet all distractions so you can hear whatever comments your prospects will make. Keep all music, radios, Hi-Fi's, and TV's switched off.
- (4) Have those adorable pets entirely out of the way.

5. 5. Have the house well ventilated and, to the extent the weather permits, keep windows open. Run the exhaust fans to guarantee fresh air sufficient to dispel all staleness.
6. 6. Clear kitchen sink and tables of dishes.
7. 7. Store dishes, sparklingly clean, neatly on the shelves.
8. 8. Spread all beds smoothly with freshly cleaned covers.

Suppose you now have a prospect entering your driveway. The doorbell will be ringing soon. Your home may or may not be in order as above recommended, or as you would prefer it. If not, do NOT even consider greeting your visitors with an apology.

Your advertising has attracted attention. The person pressing your doorbell button is your invited guest. Treat him accordingly. Be gracious but also reflect a business demeanor.

When your prospects have entered, one of them--possibly the dominant spouse--will probably ask a question (e.g.), "May we look at your home?"

Reply, "Certainly," and introduce yourself, your wife (if she is present) and any other person immediately at hand: use your first names clearly and your surname. Prospects, under such circumstances; customarily respond in kind. Listen closely to their names, including their first names.

If you do not understand the names of your visitors, ask them to repeat them. Whenever a name is unusual, request them to spell it. You compliment a person every time you remember to call his name: of course, within reason. If your prospects are congenial, start at once calling them by their first names.

Invite John and Mary to go right ahead and look at everything. They will feel ill at ease unless you accompany them and see that they have access to all parts of the house. Unless you are an unusual character--of a type who does not need to be reading this--you will probably be more successful, or your chances for success will be better, by keeping quiet until you notice that they have overlooked something. Then you might say (e.g.), "Did you notice the lazy susan?"

Customarily, home seekers inspecting a home comment on various features, perhaps favorably concerning some qualities and unfavorably if they dislike something. You cannot depend upon the idea that prospects will express their opinions in your presence. Each is endowed with his own conventionalities and idiosyncrasies. You exercise restraint and listen to whatever they say.

Some prospects think the "art of buying" consists solely of complaining about everything they see. Do not let the complaining prospect disturb you. One addicted to complaining is inclined to be at his grumbling height when looking directly at the features he likes. If you will listen closely, keep calm--before long they may drop a few hints concerning some qualities they like.

Do not rush your prospects. Even when you want to emphasize a special room, view of the river, or other delightful advantage, hesitate until you are sure your prospects will

not notice the "special feature" for themselves. Be alert. Watch their faces. Do not argue with them concerning their objections. Be friendly but--especially when they are engrossed in looking at some particular feature--do not start conversation.

When you see that the home is suited to the needs of your prospects, continue to refrain from rushing them. Let them engage in the mental enjoyment of imagining their furniture emplaced in the home. Try to keep them at ease. If you can succeed, they will talk more freely in affording you the information you will need to know when you close the agreement with them. If you proceed as here suggested, the house itself should do most of its own selling.

Be prepared, at all times, to answer any questions the prospects choose to ask. Have records on utility bills, paid tax bills, size of lot, size of hot water heater, number of square feet of living space, size of rooms, locations of schools, distances to shopping center, location of and distance to each church of every denomination, bus schedules, and any other points of interest. Be absolutely sure to know your home and your neighborhood.

HOW TO DISCUSS PRICE

If you have had scant selling experience, the odds of success in selling your home will increase in your favor if you will establish a fair price and hold to it tenaciously. If a prospect makes a solid offer very close to your fair price, as a last resort perhaps a small deduction would be better than continuing your selling project.

There are other considerations on these close prices on big transactions. As aforementioned, honorable appraisers working independent of each other may not be in exact agreement. Also (e.g.) assume the VA appraised value of your home is \$25,000. A qualified prospect comes along and offers you \$24,500 cash. Your mortgage banker has informed you that it will cost you a 2% discount (or 2 points) to place the loan. Certainly you should sell for \$24,500 cash because your net would be only \$24,500 if you were to sell for \$25,000 and pay the points: \$500 discount.

Restart consideration and assume that price has become a barrier to consummating the sale. Your for-sale-by-owner advertisements have attracted several prospects, including some real estate dealers, some laymen interested in real estate, and some professional "wheelers and dealers." All of these people who do not intend to live in your home are intent upon buying it for less than its fair value. They are not necessarily fraud indicators but you are hereby warned to beware of them.

The price appraisers have settled you upon what they believe a willing seller could demand successfully, and what a willing purchaser will pay, with neither being under abnormal pressure to act, and with both being fully and intelligently informed of market conditions. If you sell for less than fair value you will simply be defrauding yourself. Thereafter, the only rationalization that will save your self-respect is something along the lines of, "Live and learn," and that's a poor one.

Justifying your price (in addition to appraisal) is good salesmanship. You should never speak of your price without adding a supporting statement. For example:

(1) Priced at \$20,000 this house has as much living space as any of those new homes on Washington Street. Also, here you have beautiful shrubbery and landscaping, storm windows, and the fence.

(2) The new park and recreation center just one block

away makes it hard to find a home in this neighborhood for only \$20,000.

(3) In spite of the many plus values of this neighborhood, this home is priced at only \$20,000.

Never say just, "\$20,000" and lapse into silence. Prospects will think--if they do not ask--"Why?" Give them something else, something good, to think about every time you mention price--provided, of course, you can do so without appearing to make an issue. Repeat: AAA-

Always avoid arguments.

If your prospects are really interested in buying and think the price too high on your fairly priced home, you have failed to convince them of its value. When your price is really right, those who will not be satisfied with it are not prospects: only suspects. They may be floating out from the daydreaming couples who have never learned how to spend their leisure time profitably, so they devote some of their Sunday afternoons to inspecting homes advertised for sale.

Another type of price complaining prospects are those who anxiously want a home and quarrel with your fair price (but not with you because it takes two to make a quarrel) with the disappointing realization that they do not have the finances to buy a home costing as much as is your price. Basically they use price bickering as a trumped up excuse for not buying it. Although you must continue being courteous to your invitees, you should start probing politely to learn their "whys and wherefores." If for any reason you become convinced that they are gulling you, you should not quench that last glimmer of possibility which flickers, you could be wrong in your conviction. but you can climax their story in a genteel manner and discover what their denouement will be. Maybe they will surprise you and give you a sudden happy O'Henry-type twist--but it's improbable.

Ask them why they think the price is too high. If they hesitate, tell them you would like very much to know why. If this does not induce a climatic response, ask them earnestly, "Are you kidding?" This should focus them right down to "brass tacks." Tell them that you greatly appreciate their frankness in telling you that your price is too high, that if they are interested in buying it, you would like to know what they think it is worth. As you "pass this ball to them" they will probably "run with it" by mentioning a lower price--perhaps much lower. If so, ask, "Are you good people prepared to make an offer of that amount?" Their answer should inform you clearly whether or not you have a real prospect. If their answer is, "Yes," it's your turn to think fast. If their suggested price is not close to your fair price, tell them that you regret you can not afford to accept their offer.

Of course, you should recognize that discourse varies with the personality of individuals. Supersalesmen could write, and have written, tomes on selling. If you want psychological variations, go to your public library and find a whole shelf of them. Read

them all. Then come back to the foregoing and you will be as successful as any course the previously inexperienced man will be able to follow.

Other qualities you can mention in discussing price are:

1. 1. Nearness to schools, shopping centers, churches, doctors, hospitals, other medical facilities, and bus lines;
2. 2. Views: lakes, rivers, beach, mountains, city, or whatever other lovely view your home may afford.

(3) Savings available if the prospects could assume your low interest rate loan.

(4) If your home is short on other features, perhaps your reasonable price will be a good selling point.

Do not fear discussing price. If your qualified prospects want your home, and its fair price is their primary objection, you should be able to close the sale.

OBJECTIONS

Many of your prospects will criticize, grumble, and object to various qualities of your home for sale. These objections will fall into two broad classifications: Insignificant, or unreal, and justifiable, or real.

(1) Insignificant or unreal objections.

When your prospect offers an objection which you are reasonably sure is raised only to make conversation, ignore it. If they bring up objections which are obviously phoney, and you know they know they are trumped up, look directly at the complainer and tell him (e.g.), "You yourself know that your objections are of no consequence." The customary inclination of the fabricator is to grin and say something like, "You are right. It doesn't matter."

If he persists, ignore this type of complaints. Some people go through life criticizing everything they see, hear, or read about. Never-the-less, they do buy all of the necessities of life, including homes.

(2) Justifiable or real objections.

The justifiable objections must be answered, or explained, or admitted. They may be a product of the prospect's indecision or fears, or there may really be something lacking, or some nuisance extent, or some other very disagreeable feature about your property, which is in fact insurmountable. It will be difficult for you to make a two-bedroom home attractive to prospects who want, need, and must have a three-bedroom home. However, when the demand is reversed with other prospects, you may be able to convert an objection into an advantage. For instance:

A young couple may be out looking for a two-bedroom home, when the one you are offering for sale has three bedrooms. You can point out to them how quickly families

grow, and that it might well be better for them to buy your nice home with three bedrooms and not be faced with the problem of having to move again within the next three or four years.

If your prospects are out seeking their first home, and are afraid of the responsibility of home ownership, you can sell them on the advantages of being a homeowner, as hereinbefore detailed.

If prospects complain (e.g.) about too many steps, and of the steep driveway leading from the street up to the house, agree with them simply because it is true, but you should not forget in your next utterance to point out the gorgeous view of the valley from the front elevation, and the large trees shading the level back yard, or the fine garden plot.

Do not be afraid of objections. Seldom, if ever, does anyone buy a home without discovering justifiable objections, whether or not he raises them. There will always be some disagreeable features.

People bother themselves to make objections to a home on the market for sale simply because they are seriously considering buying it, and they want evaluations of their critical observations and representations. Many objections conscientiously advanced are untrue because they are based upon lack of knowledge, or upon some misunderstanding. Give your prospects a true picture of what the situation, qualifications and circumstances are. When you can absolutely do nothing whatsoever to rectify a fault cited by a prospect, agree, forget it and hope that on their scales of decision, the good points will outweigh the bad ones.

HOW TO COUNTERACT A LOW OFFER

Especially when selling a house to be financed by obtaining a VA guaranteed, or an FHA insured, loan, you should insist upon selling it at its appraised value, but should you feel it expedient to cut your price, rules of procedure for such negotiating are as follows:

- (1) Always hold your composure.
 2. 2. Control your tone of voice. (There is no reason whatsoever for changing it.)
 3. 3. Maintain the very best of manners--suitable to the host you are.
- (4) Smile frequently.
- (5) Recognize the fact that the home you are offering for sale is YOUR house and exercise your prerogative to establish and maintain the price at which you will sell it.
- (6) Think out and thoroughly analyze your commanding position and price possibilities before your prospect appears.
- (7) Do not make a snap decision. Be sure you have plenty of time to consider all phases of any change you may make in your price.

By illustration: Assume the appraised value of your home is \$20,000. Your need to sell is urgent. If you can sell it for \$19,500, you will realize a substantial profit and, in your own mind, you have decided to cut your price, if necessary, an extreme limit of \$750.

Your prospect, Mr. Jones, says, " We'll give you \$18,500 for your home."

Counteract by asking, "Mr. Jones, let us assume that I would come down to \$19,500, \$500 lower than the expert appraiser thinks my home is worth, would you meet the price of \$19,500?"

If he weakens ever so slightly, hold firm to your no-more-than-\$500 reduction. Produce a contract form and start filling it out at \$19,500. If he does not weaken, proceed to sell value.

Review (e.g.) such points as: "Mrs. Jones, you will like being within one block of the school, which means that from your front window you will be watching Vera (their 6-year-old girl) go all the way to the school house door."

Tell Mr. Jones other facts concerning the things he will like, and follow through by citing the benefits. If he remains adamant by repeating, "No," say, "Mr. Jones, we have assumed I will come down \$500, would you come up to \$19,000?" If he hesitates, ask him quickly again, "Would you come up to \$19,000?"

If Mr. Jones should say, "Yes," make the observation, "and we are still \$500 apart." Proceed to review another point they like about the Property (e.g.), "Mr. Jones, you seem to like this large lot and it does have room for the archery range you want to set up. I would hate to see you lose the place for only \$500." If Mr. Jones weakens, again, even slightly, bring out your contract. Start writing.

If your prospects again reject your offer, it is time to change the subject. Watch them very closely. By watching their expressions, you can usually discover the tenor of their intentions. By this time you should have a knowledge of their likes and dislikes. Devote ten minutes to talking about something they are very interested in, and then redirect their attentions right back to the subject of buying the house.

Again review favorable facts with as much variety as is available, and again follow through by depicting benefits. Try to get their agreement. Ask questions framed to solicit an affirmative answer and to which it will be difficult for them to say "no." Do not give up easily. Some prospects who want something very badly are excellent negotiators. They are willing to spend a few hours to make \$100. Be their equal.

As a matter of fact, most homes are sold for the FHA (or VA) appraised values, but if you just must close and be on your way, try one more time. Say, "Mr. Jones, you and your wife are willing to pay \$19,000: my wife and I are willing to sell at \$19,500. Would you be willing to split

the difference?" If he agrees, start writing the contract.

If they balk and will not agree, now is the time to sell your apples. All the while you have been doing a lot of listening to pick up clues you will need to help you close the sale. At this point, use them. If you have a stubborn prospect, do not be afraid to make or break the sale. Bear down on your selling. Your prospects need your house for a home and

you know it. For some compelling reason you must sell. Your price is fair. There is no reason why you both should not profit by the transaction.

Again: Caution! You will not be defrauded, and you will probably sell if you follow the other rules herein provided and refuse to consider any low offer. This low-offer treatment is simply to afford you an insight into negotiating, and it definitely is not recommended.

CLOSING THE SALE

When should you try to close the sales agreement? You have been setting the stage for closing ever since your prospect first appeared. You have been playing down their let-the-buyer-beware inclinations, as follows:

(1) You have created their confidence in you by presenting a home which proved your advertising was factual and fair.

(2) You have proved that your price is fair by an independent and equitable method. You have showed them VA and/or FHA and/or professional independent appraisal reports showing the fair market value.

(3) You have provided them with correct and complete information concerning the neighborhood, utilities, financing available, and all other relevant characteristics they could think to inquire about.

(4) You have induced cordiality by providing a hospitable and helpful attitude.

(5) You have not rushed your prospects during inspection, or in making a decision, or on qualifying.

(6) Your own self confidence and quiet enthusiasm are solidly based on your sense of honesty and fair dealing.

You have been observing your prospects closely and are continuing to do so. You have made an effort to decide which spouse is dominant, which subordinate, and the degree of these qualities. Although at first you may have been addressing your side of the conversation to the wrong spouse, as you approach the close, you know which will probably make the decision with the assent of the other.

Sometimes couples will be as balanced as a ledger with three dollars on the credit side and three on the debit side, but such couples are rare. Do not misunderstand: Be courteous always to both and be sure to avoid any resentment in the thinking of the one whom you believe to be subordinate. The whispered words, "I don't like that man," can be the iceberg which will slice your Titanic sale below the surface and sink it. It is bad enough to lose a sale by the quiet torpedo, "I don't like this house," but when you are sunk by not making yourself likable, you are simply fumbling the ball unnecessarily.

Even though you are convinced that one spouse is dominant, unless unusual circumstances prevail, do not try to get one to sign a sales agreement in the absence of the other.

Taking sufficient time for the completion of the contract form (writing in the blanks and filling in the particularities) and for signing is of the utmost importance. You do not want them to feel that they have been rushed in any of your dealings with them. Do not try for a close when your prospects have told you that they have a dinner engagement and must leave within one-half hour, or that the baby sitter must be relieved in about such time. Even though you may be reasonably free of complications, reserve a minimum of one hour for closing. Provide yourself with as much time limit flexibility as may be necessary.

You cannot induce your prospects into converting themselves into buyers by joining you in a closing agreement unless their joint mood is favorable for so doing. When you recognize an unfavorable mood, you may be able to induce improvement by thinking and acting enthusiastically, or by being pleasant and displaying personal warmth. Unless you know the law and the exceptions, you must comply with the rule that you cannot close the contract for the sale of your home, when you have the signature of only one spouse—you must get the signature of both. Also, if you are married, both you and your spouse must sign the contract.

CAUTION! Remember that you are going to have legal advice before you and your spouse sign this contract. Therefore, your spouse's absence will be of no consequence. You will be accepting the sales agreement, half-signed, as an offer to buy by both buying spouses.

As silly as it seems in the abstract, sellers climaxing a real estate sale, especially those with little experience, are inclined to succumb to fear, or feel a rather severe inner urge to do so. It is somewhat similar to stage fright. If you should suffer any such emotion, realize that it is not unusual and that failure to control it is unnecessary. Hold your composure, and action will quell fear. Assume from the beginning that closing is a normal part of the procedure you must follow whenever you sell your home, and you will have been disciplining yourself all along.

During the inspection visit there may have been several times when you felt a basic urge to pick up your prospects bodily and toss them out of what was still your house. However, whether or not you have left it as living quarters, when you put it on the market it was no longer your HOME with all the endearing connotations the word entails throughout the English speaking World: "A man's home is his castle," "Home Sweet Home," "Home on the Range," and all of the other endearments which are unknown in many languages. Never-the-less, you thought that light lavender master bedroom was done up in a simply darling hue, and that it induced the sweetest of atmospheres, when that old biddy gapped her big mouth and exclaimed, "Oh, what a horrible color!"

You had to think to yourself, "Now, wait just a minute, Felix. (If you are Felix.) That old girl is no biddy but a lady, my guest and prospect who will probably purchase my home—this house and get it off my hands so I can be on my way." Their tastes as expressed may be different from almost every one of your own freakish monstrosities, or so they describe them. Throughout the sales procedure you must expect criticism, perhaps severe, and you must be prepared to the extent possible to turn it to your own advantage by weighing it against the intrinsic values of the house. With the indicators on the scales of decision pointing in your favor, you have no reason for displaying any emotion, or for even thinking the nosy old—the fine lady is a biddy. The lavender can be changed to the deep purple she prefers for a tittle of change and is nothing when weighed against the beautiful view (e.g) of the valley, the river and the mountains

beyond. So, you agree smilingly that the lavender is pretty horrible, and if she does not discover that view for herself, you will mention it, and weigh it well on the close.

Emotions, rather than logic, motivate some people to buy homes, but you are not going to sell on actions triggered by emotions alone. You have already discovered that the house is suitable for them. When these emotion actors first started looking at homes being offered for sale, they may have been merely curious concerning what was being offered. The possibilities they discovered induced day dreams, but no intent of buying. Gradually these dreams converted themselves into enthusiasm in their thinking. When their "cup of enthusiasm runneth over" they are "in season" for signing a contract to buy a home.

To study the waxing of your prospect's enthusiasm, assume that you know that they are at least to some degree interested in buying your home. If you are watching them closely, they may be indicating that they want to buy. Why so many--including you and I--do so indicate and so few do not just say so, is a question for the psychologist. Such indications may be intentional or unintentional. Perhaps they are motivated by the same type of emotional impulses which induce the smug expression on the face of a child, when he knows something that he is not going to tell, and so states. He wants you to try to induce him to tell. You should be on the alert to detect the indications that buying is "in season." Realize that now is the time, or that it is very close to the time, to put ink on a paper.

Before detailing some of the indications of readiness to buy, let us suppose your prospects prove to be exceptions and, after rather casual examination, one of them says, "O.K., this is what we want: we'll take it," and the other agrees. Do not insist upon continuing your sales procedure. As foolish as this seems, some people think they must get them well sold and go right ahead with their selling. They run the risk of over selling and also of talking themselves out of the sale after they have it made. In over selling, you promise too much. In talking yourself out of the sale, you either become obnoxious for persisting or you tell of something you think is simply great which the prospects do not like. When they are ready to buy--STOP--open up the house file, or folder, get out the contract form, write it up, and get their signatures.

If you have followed the procedure you have determined that you are not in the path of a planned super-highway. You are willing to take the price you have decided upon and quoted for your property. Sell whenever a satisfactory opportunity to do so develops: maybe at the first showing, perhaps at the second; whenever your prospects are in the mood, sell and sell fast. Those who are able, ready and willing to buy right away are the best of all kinds of prospects. You can depend upon their knowing what they are doing and if you have followed these instructions, you know what you are doing. You may get an opportunity to sell on the first day your advertisement appears. Your next opportunity may not develop for some thirty, sixty, ninety days, or so. What is your time worth?

Of course, the quick and easy transactions are the exceptions rather than the custom, therefore we must study the "secretive" little indications that the prospects want to buy.

Isn't this a ridiculous game for mature people to play! It sure is -one of many--almost as ridiculous as a lavender master bedroom overlooking a valley, a river and the mountains beyond. Maybe you like lavender bedrooms.

Assume that your prospects are sitting at your dining room table drinking coffee. Watch closely for them to communicate to you their state of readiness to buy by showing one of the following reflex actions:

1. 1. Switch from a tense attitude to an air of relaxation.
- (2) Assume a more pleasant expression after having inspected your property.
- (3) Suddenly decide to go back over the property for reinspection.
4. 4. Compliment profusely certain features: "Honey, that view of the valley, the river and the mountains beyond was certainly beautiful."
- (5) Pick up the appraisal reports and restudy them. (6) Re-examine and study proposals for financing.
- (6) Speak as though they already own the property. E.g., the wife says to her husband, "Don't drop those ashes on my floor."

This is enough to give you an idea and if you will practice a little bit you will experience the feel of the game. Whenever any comment indicating ownership is made, you join the conversation immediately. Do not hesitate to make a test for closing. As you pull out the contract, ask them. "When do you want to take possession?"

If their reply is at all favorable, as you proceed by starting to write, advance another feeler which will tend to clinch the agreement, or as is said at law, to be sure you have attained a "meeting of the minds." Examples of such supplemental feelers are as follows:

- (1) Have you decided on the color you want for the master bedroom which we agreed to redecorate? (If she says "dark purple," do NOT stop and say, "Oh, no!" Say, "We shall get the painters on it right away.")
- (2) Are you going to insist upon our membership in the Pine Valley Swimming Pool going with the house?
- (3) Do you want us to enter into the contract the repairs we agreed to make on the driveway?

Of course, you will have to adjust this type of feeler to the particularities which have developed during inspection but you can rest assured that there will always be enough of them. Some buyers suggest so many expensive additives you cannot afford to proceed.

If your prospects react to a feeler in a disputing manner (e.g.), "Hold your hosses," or "We didn't say we are going to sign any contract," or "You are moving too fast," it is time to slow down and to readjust your tactics.

The usual reason for nearly-sold home buyers to start stalling are fear, indecision, and natural inclinations to procrastinate. So, with a stop-light response you must put on your brakes and try a new approach while you wait for the green-go light.

As your prospects have been presented to you herein, you probably have them fairly well visualized--What are they thinking? Unless there is some deep difficulty they have not yet told you about, it is normal for them to be thinking of the good points, the advantages, and the bad points, the disadvantages, weighing the points they like against the points they dislike. In fact, to them, it is a weighing problem and something is still tipping the scales against the sale you need to make. Your best choice of action at the critical time of indecision is to help your prospects decide.

Now is the time when you should be willing to push your selling at the distinct risk of possibly losing your prospects. You have already weighed your good points against your bad points as you see them. This time you will do it a little bit differently. You are going to let your prospects participate. Be sure to be forearmed with a sheet of ruled paper. Draw a line from top to bottom through the center. Write "Disadvantages" at the top on one side and "Advantages" at the top of the other side. Ask your prospects for the disadvantages and write them down as they name them. When they have finished all they seem to be inclined to give freely, ask them, "In addition to these, are there any others?" Be insistent.

This procedure is for the purpose of inducing your prospects to expose their real reason for stalling. Do not be surprised if one of them blurts out the secret (e.g.), "We are intending to get the money for the down payment from my mother. She said that she is going to give it to us. I'm sure she intends to do it but we haven't said anything to her about it lately, and she hasn't mentioned it either."

If the kind mother can be reached by telephone, invite them to call her right on the spot. Tell them that a decision one way or the other will relieve everyone. If possible, get a decision. A lot of parents do gladly make such conveniences available for their children.

If you find that they are reluctant because of some disadvantageous features about the house. Rule 1: Agree with them. Then point out the other features they have mentioned which they like, perhaps on various visits to the place. While we may have overworked "the view of the

valley, the river and the mountains beyond" somewhat it exemplifies one of the cardinal precepts of this work. You will sell the favorable features or you will not make a sale.

The wild bee-tree in the big back yard is an illustration of why you should let your prospects name their own disadvantages. The finest shade tree was not only hollow but it had a wild bee hive in it, and the bees insisted in staying through the years. Wild bees stung one of the owner's children, but he was having to move anyway. Being an honest man--no fraud feator was he--he decided to tell his prospects that the tree was hollow, that the wild bees were in it, and that every time little Jethro caught one of the bees he got stung. To Jethro's parents this was not only a disadvantage, but almost a disaster. To the prospects, it was one of the most delightful advantages about the place. The young husband visualized himself as becoming an expert apiarist. The wife giggled, "Oh, goody. We'll be the only couple in our set who can serve wild honey from our very own wild bee tree."

Of course, when Prospect, Jr., got to be about four years old and started out to catching bees in the clover--but that's another story.

If necessity warrants, sell home ownership, as explained hereinbefore. When the indications again seem right, start again to filling in the blank spaces on the face of the contract form. Ask your prospects (e.g.), "What is today's date?" If they respond by telling you the date, they are on their way to buying your home. If they do not tell you the date, you proceed to fill in' the blank anyway. Then, if they will give you their middle initials, continue writing out the contract. Thereafter, they will be less likely to stop you and, probably, will help you complete it.

With this information, you should be able to sell your house for the price you are looking for, or at least come close. You may even be able to increase the appraised value of your home by following some of the advice given. Best of luck in your endeavor!