



The Top 10 Fails To Avoid When Selling Your Home

Plus, How to Beat the System & Get More Money, Faster, Without the Stress

Selling your home doesn't have to be that complicated. You can save a lot, and sell a lot faster, with less drama if you can avoid these ten common pitfalls.

Whether you are in a financial bind, just inherited a home, have to relocate and don't want to juggle two mortgages, flopped on your first house flip, can't get those trouble tenants out, or it's just time to move on, selling your home should be simpler.

Don't fall for these common mistakes, and you could be financially better off in days, and be enjoying a lot more peace of mind again.

1. Not Pricing it Right the First Time

By far the most common mistake home sellers make is failing to price their homes right from the beginning.

Here's what happens...

What's the harm in asking for a little more or pricing a bit more than the neighbors? Many sellers do. Then it becomes a 'boomerang home'. It's what real estate agents call a home they use to show their buyers in order to make their other listings that pay them more look like a better deal. You might get showings, but they aren't from buyers who will actually buy your home. It's a lot of wasted time and stress for nothing.

Even more likely, potential buyers will think you or your agent just aren't being realistic or serious about selling. They don't have the time to try and convince you otherwise, and don't want to waste time placing bids when they could just make an offer on a more accurately priced property with less hassle.

So, that fresh listing which gets the most eyes and attention in the first few hours starts getting stale. Few buyers see it, because they and their agents are only focusing on brand new listings popping online by the hour. Then it's an old listing. If no one else wanted it, the assumption is there is something wrong with it, and they don't want it either. Way down the road, you might get some low ball offers from the vultures.

Some sellers then try to slash their asking prices. By then the market may be down even further, creating a downward spiral, without ever catching up. All while you've incurred a lot more expenses, and if you do sell, pocket way less money.

If you do decide to list with an agent, then there is real science and strategy to pricing. You need to be within certain parameters to fall within the right searches. Or you'll really be invisible to the right buyers.

Right priced properties can sell in any market conditions. Unfortunately, overpricing is often accepted and even encouraged by hungry new agents who just want to sign listing agreements to get their office numbers up, and hope you'll lower the price later.

2. Investing in the Wrong Repairs & Improvements

All too often home sellers are told they need to be making repairs, upgrades and even staging their homes in order to sell. Of course every agent wants that. It makes their job a whole lot easier, gives them the hope of a bigger commission, and may put you in a tighter financial position with fewer options.

At best, spending on these things is usually a risk. If you are already struggling financially, this can be what finally sinks you.

Here's the truth. Home makeovers are typically not the big money makers you see on TV at all.

According to the [Cost vs. Value Report](#), all of the most common home remodeling projects are financial losers.

By far the best financial investment of all of them is an upscale garage door replacement, returning 97.5% of your money. Unfortunately, a master suite addition or upscale major bathroom remodel will only return about half of your money. Meaning you are immediately throwing half of it away, just like driving a new car off the lot.

These things might help sell your home. They may get more buyers to look at it. However, if you aren't adding a dollar to the real appraised value, you are just going to wind up having less money.

3. Not Calculating Your Net Proceeds

The top line price of a home can really be irrelevant. It's firstly what selling the home does for you, and secondly how much you actually net.

If this home is a financial burden right now, simply getting it off your hands is going to save you a lot of money and stress. Each day you own and hold it, you are spending money. Investors say every day you aren't selling it, you're buying it.

Really total it up. Mortgages, insurances, association dues, property taxes, utilities, internet, etc. That isn't even calculating the risk of damage and devaluation of the property over time.

So, every day it takes to sell it, you have to deduct those costs. For example; even at \$200 a day, if you list with a Realtor and it takes 100 days to get a buyer, and another 60 to close, you've lost \$32,000. Money that would have gone in your pocket if you sold faster. Living in Southern California, your daily rate of loss may easily be 10x that.

So, number one, get rid of the bleed. Two, calculate your net from different scenarios. If you are working with a Realtor, title insurance company or real estate attorney, they should help provide a 'Net Sheet' showing your potential net proceeds. Make sure you are comparing apples to apples and all the costs are added in when evaluating your options.

For example; if you list with an agent, you may end up with a host of costs coming out of the sales prices, including 6% of the sales price going to Realtor commissions, taxes based on that higher amount, paying off liens, recording and wire fees, escrows, etc. Depending on the price of your home, that can easily run \$100,000.

Compare that to selling direct to a buyer who will pay your closing costs, with no Realtor involved. Even if they offered you 10% less for your home, you might actually pocket a little more money. If the offer was the same price, you'd pocket way more in this second scenario.

Remember to deduct the cost of all the days you expect it to take to get to a closing, and any money you chose to put into repairs or improvements and staging.

4. Not Scheduling the Closing Well

In a traditional old school listing and sale you have very little power in setting the closing date. There are many other parties involved with their own interests. You are most likely waiting on a buyer's mortgage company. You can negotiate it, but there are many other factors to negotiate as well.

Being able to pick a smart closing date, of your own choosing is important. You may need to close in less than 30 days. You may need to buy a little more time in order to get your next move in order.

You want to be careful of trying to schedule a sale and home purchase too close together. Delays can happen. You don't want your family living out of a uHaul truck for two weeks.

There are certain days which are more likely to lead to delays as well. The end of the month and end of year are notorious for delayed closings as closing agents are so slammed. Friday afternoons can be tough too. If your closing happens late, you might not get your funds in your account until the following week.

5. Not Picking the Right Buyer

It may feel amazing to finally get an offer if you've been trying to sell for a while. Picking the wrong buyer might be even worse than the wait.

Ideally you'll want a truly qualified cash buyer with no contingencies in your contract. If the buyer doesn't really have the money, or they are relying on getting a mortgage or selling another home, it can become a drawn out process, with no guarantee of a closing. Worse, you usually don't figure this out until the day you are supposed to close. That may mean a couple of months of costs down the drain, missing out on the best buyers, and having to start over again from the beginning, when homes may be selling for less.

6. Giving Up to Soon

Maybe you have seriously tried to sell your home yet. Maybe you've tried and had previous contracts fall apart. You may not have found the right agent, or there was a title issue, you owe more on a home than it is worth today, you've got past due property taxes, or other liens, or are in foreclosure or half of your home is burned down. Still, it is extremely rare that there isn't a way to get the home sold.

You may need a specific kind of buyer, who has experience in these challenges, though it's quite possible you can get a deal done.

7. Putting Yourself at Risk with Open Houses

Open houses are popular for two reasons. One because they generate buyer leads for other homes for real estate agents. Secondly, homeowners think that more open houses will help sell. Yet, according to the National Association of Realtors only 7% of homes sell as a result of open houses or yard signs. Less than a 7% chance. Those are pretty terrible odds.

Open houses are a big investment. They take time to plan and promote and host. They mean cleaning and accessorizing and curating the right smells and sounds and providing materials on all the area schools and crime rates and comparables.

All for what? Realtors and property managers have some of the most dangerous jobs. They are often hurt or robbed at open houses, or worse. Then there is the risk of theft and ID theft from letting people in your home. If your home is vacant the rest of the time, and they can see that, there is the risk of squatters moving in and claiming adverse possession.

8. Not Knowing All Your Options

There's more than one way to sell your home. It pays to know your options.

You can list with a full service Realtor. They can do most of it for you. You'll typically have to lock into a legal agreement for a year, and hope you've chosen one who will put your best interests above their own.

Then there are so called 'flat fee' and discount brokers who will put your property on the MLS and major websites. Then you are pretty much on your own. What they don't tell you is that on top of their fees, you'll have to offer a competitive market rate commission to a buyers agent to get a buyer. That's typically 2.5% to 3% of the purchase price, but could be more.

You can go the DIY for sale by owner route. You can go to Home Depot and get a for sale sign to stick in your yard (if your city and association will allow it), take out a newspaper ad and post your home on Craigslist. Then get ready for a whole ton of calls from Realtors who just want to list your property. A lot of busy work, with few real buyers. Even fewer, if any qualified buyers.

There's also the question of how you'll get paid. Clearly there are challenges and a lot of extra unknowns when accepting a buyer who will rely on getting a conventional mortgage loan. Selling to a cash buyer is clearly faster, easier, and less risky. You're not just waiting for the deal to blow up due to the appraisal, repair issues, or weird underwriting quirks.

In other cases you may actually want to take your proceeds in installments. You may not want to put a big lump sum of cash in your bank account all at once. You may not want to deal with a big income tax bill this year or capital gains. You might owe more on your mortgage than the property is worth. A knowledgeable buyer who will pay in monthly installments and take the burden of the debt and maintenance off your hands immediately can be a great fit. You get an ongoing monthly income, without having to do anything. Any tax implications of a sale may be much lower. You won't have long lost relatives popping up out of the blue asking to borrow money.

Or perhaps a mix of the two is right for you. Maybe you need \$3,000 to move into a new rental, and then are happy to get the rest in installments which will cover your monthly bills.

9. Dragging Your Feet

You may be busy, you may not have much extra bandwidth in your brain for dealing with open houses and interviewing a dozen Realtors. However, the longer you wait, the worse it usually gets.

The market can change on you at any minute. Wait another month and your property could be worth \$50,000 or \$100,000 less. Or maybe your neighbor loses a similar home to foreclosure and completely trashes your home value by 50%.

Then there are all those nasty risks of natural disasters. Wildfires, electrical fires, earthquakes, storms, and more.

If you are already in a situation where you are behind on your mortgage, property taxes, association dues, income taxes, or code violation fines, waiting is only going to make it worse and slash your options. Some fines can accrue at \$1,000 a day. That is more money bleeding out of any proceeds you could get in addition to all of the other holding costs we already mentioned.

Time is your enemy when selling a home. The sooner you can find a buyer, sign a deal and get through the closing the better.

10. Thinking Zillow Zestimates are What Your Home is Worth

Zillow has been a plague on the real estate market for years. Most obviously due to its controversial home value tool. It's known for being wildly inaccurate and causing much strife between home buyers and sellers, lenders and real estate professionals. A Zestimate is not an appraised value. In the past [Zillow](#) has had to restate the values of millions of homes and has even restated years of historical Zestimates. There are now also many conflicts of interest which may influence Zillow to change values frequently for its own financial benefit.

The best gauge of your home value is a true appraisal. Second is comparing similar homes which have sold within 1/2 mile of yours, within the past 6 months. This includes comparing by square footage, bedroom count, lot size, age, property condition, garage or no garage and swimming pools. Then you should deduct the cost of any repairs or needed updates the next buyer will have to do.

Summary

The process of selling a home can be stressful and full of unexpected quirks. Fortunately, by knowing and watching out for these common fails you can skip the headaches, risks and long periods of sleepless nights, and just get onto the next great step in life.