



The Ultimate Guide to Home Buying and Selling with a **REALTOR[®]**



Introduction

Buying and selling a home is the biggest financial transaction of your life. It's a serious purchase (or sale) with significant financial and emotional ramifications.

If you're like many buyers and sellers in Northeast Ohio, you'll start your home search online. But acquiring your dream home involves more than seeing it online and moving in. When it comes time to negotiate a sale, you'll need the knowledge and expertise of a local REALTOR®.

Why is working with a REALTOR® important?

Many people don't realize that real estate transactions are fraught with ups and down, ins and outs, and potential pitfalls. REALTOR® representation during this process is incredibly important.

There are about **200 actions, research steps, procedures, processes and review stages** in a successful residential real estate transaction. Depending on the transaction, some may take minutes, hours, or even days to complete.

Is this a responsibility that you want to take-on alone?

Probably not!

Agents who are REALTORS® are professional members of the National Association of REALTORS® (NAR) and adhere to a strict code of ethics.

Not every real estate licensee holds REALTOR® membership.

A REALTOR® reflects the level of skill, knowledge and attention to detail required in today's real estate transaction.

The bottom line: REALTORS® bring value to a transaction!

This guide is designed to provide insight into buying and selling with a REALTOR®. Remember that every purchase or sale is unique – you and your family have unique needs and requirements for your dream home. This guide is a good place to begin.

Make sure you contact a local REALTOR® to get this process started.

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Getting Started with a REALTOR®

REALTORS® have their finger on the pulse of the local real estate market. They are experts in the field, working with buyers and sellers every day, sharing their knowledge, and guiding them through the complex contract and sales process.

Homes listed with a REALTOR® sell for an average of **27% more than those sold by owner**. That can amount to tens of thousands of dollars in your pocket. And buyers who are represented by their own agent have more negotiating power than those who rely on the listing agent, or do it alone.

It seems like working with a REALTOR® is a no-brainer, right?

Surprisingly, contacting a REALTOR® is one of the most anxiety-inducing parts of the home buying process. We call this “FORO”, or “**Fear of Reaching Out.**”

In reality, there’s no reason to get nervous. Your local REALTOR® is available to guide and educate you. Here are some statistics about working with a REALTOR®:

- Two out of three home buyers reported that the most important service provided by a real estate agent is helping buyers find the right home.

- Nearly four out of five home buyers used a real estate agent as an important information source and to assist in the transaction.
- Nearly seven out of ten home buyers used a real estate agent and/or broker to complete their transaction.

You need to find a REALTOR® that you trust and who knows your neighborhood well. Talk to neighbors and friends about their recommendations for a REALTOR®, and meet with a few until you find the right one.

Of course, you should always ask: “*Are you a member of the National Association of REALTORS®?*”

REALTORS® must abide by the NAR’s code of ethics. In addition, each state’s real estate license requires continuing education for agents. You’ll be in good hands when you hire a REALTOR®. They’re passionate, knowledgeable and ready to get to work for you.

Ready to contact a REALTOR®? Search the Akron Cleveland Association of REALTORS® online directory by [clicking here](#).

The Loan Process

There's nothing more disappointing than falling in love with a home and then discovering you can't afford to buy it.

In addition to contacting a REALTOR®, consulting with a mortgage lender is one of the early steps you should undertake in the home buying process. Almost all first-time buyers need a mortgage to finance their home purchase, so get prepared before you look.

When you're armed with the knowledge of what you can afford, it focuses your search and allows you to make a move when you find a home you love.

Obtaining a mortgage pre-approval

Lenders offer borrowers either a pre-qualification letter or a pre-approval letter, but most REALTORS® recommend you get a pre-approval letter before you start home shopping.

A pre-qualification letter states the amount a lender thinks you'll be able to borrow based on your income and credit profile without any actual documentation.

However, mortgage lending standards have tightened since the housing crisis, and all mortgage loans now require full

documentation and verification of income and assets—so most sellers will only accept an offer from a buyer with a full pre-approval letter based on verified information.

You'll benefit from a pre-approval for two main reasons:

- First, you'll have completed the credit check and paperwork requirements for a mortgage, so you'll know your ability to finalize a home purchase. If the lender finds a problem with your credit or an error on your credit report, you'll have time to fix it before making an offer.
- Second, since your documentation will already be in place, a mortgage pre-approval will likely speed up the process once you make an offer.

Key takeaways:

- ✓ Reach out to professional early on in the home buying or selling process.
- ✓ Obtaining a pre-approval will help you focus your search and allow you to move quickly when you find a home.

Listing and Pre-Listing Activities

Buyers and sellers have different needs. If you're selling your home, you'll probably want to meet with a few agents to get a feel for their communication style, expertise, and approach to selling real estate.

It's quite possible that each REALTOR® will have different [ideas about pricing](#) and marketing your property.

If you're a first-time home buyer, you obviously won't need to worry about selling your existing property. But you'll still want to meet with a few buyer's agents – the agent representing you as the buyer.

You want to make sure they understand your needs and are knowledgeable about the communities where you are home searching.

Listing your home with an agent

A REALTOR® typically has a listing presentation which is often given in the sellers' home so that he or she can get a look at the property and its condition. There are many items that you and your potential REALTOR® will need to consider.

Here are just a few things your REALTOR® will do to prepare for a new listing:

- Research all comparable currently listed properties
- Research sales activity for past 18 months on the Multiple Listings Service (MLS) and public records databases
- Research "Average Days on Market" for a property of this type, price range, and location
- Prepare "Comparable Market Analysis" (CMA) to establish fair market value
- Research property's ownership and deed type
- Research property's public record information for lot size and dimensions
- Research property's land use coding and deed restrictions
- Research property's current use and zoning
- Verify legal names of owner(s) in county's public property records
- Prepare listing presentation package with above materials
- Perform exterior "Curb Appeal Assessment" of subject property
- Compile and assemble formal file on property
- Confirm current public schools and explain impact of schools on market value

Listing and Pre-Listing Activities

Remember, there are about 200 steps in a successful residential real estate transaction. These are just some of the initial steps your REALTOR® must take to get your property ready for sale.

One of the most important conversations you will have with your agent is about the price of your home. Your REALTOR® will do quite a bit of research and market analysis to determine how to price your home.

One of the biggest benefits to hiring a REALTOR® is their insight and expertise; so listen carefully to the advice you receive.

Once you've selected a REALTOR® and signed the listing agreement, he or she will prepare a Multiple Listing Service (MLS) Profile Sheet.

MLSs are private databases that are created, maintained and paid for by real estate professionals to help their clients buy and sell property.

In most cases, access to information from MLS listings is provided to the public free-of-charge by participating brokers. Your agent is responsible for "quality control" and accuracy of listing data. This is important as we move into the next steps of selling real estate – marketing the property.

Key takeaways:

- ✓ Your REALTOR® has the tools and expertise to determine how to price your home.
- ✓ Your REALTOR® has access to the MLS, which will put your property in front of many potential buyers.



Marketing the Property

As soon as your home is listed with a REALTOR®, he or she will immediately begin to market the property to prospective buyers. Depending on the approach you agreed upon, this might include print marketing, digital marketing or both.

One of the most important aspects during this phase is keeping you (the seller) informed as the marketing process unfolds and interest from potential buyers is received.

This is also when you'll be saying to yourself, *"Thank goodness we hired a REALTOR®!"*

There's a lot of coordination that's involved in this stage of the selling process.

That's true for buyers as well – you'll be meeting with your agent to view many properties. They'll help you evaluate each property, and provide their feedback and insight.

Here are a few of the tasks your REALTOR® will help with during this stage:

- Coordinate showings and return phone calls – weekends included
- Review comparable MLS listings regularly to ensure property remains competitive in price, terms, conditions, and availability
- Prepare property marketing brochure
- Prepare and mail "just listed" notice to all neighborhood residents
- Alert referral network of listing availability
- Submit ads to company's participating Internet real estate sites
- Price changes conveyed promptly to all Internet groups
- Feedback e-mails/faxes sent to buyers' agents after showings
- Discuss feedback from showing agents with seller to determine if changes will accelerate the sale
- Place regular weekly update calls to seller to discuss marketing & pricing
- Promptly enter price changes in MLS listing database

Marketing the Property

You can see why buying and selling real estate is a full-time job! There are a lot of moving parts – phone calls and emails to return, questions to be answered and offers to review.

Both buyers and sellers rely heavily on their agent during this stage. Remember your REALTOR® is a powerful resource for you. They are working hard to get you the best price.

Key takeaways:

- ✓ Your REALTOR® is responsible for marketing your property to prospective buyers.
- ✓ Your REALTOR® will carry the burden of showing the property and working with buyer's agents.
- ✓ Your REALTOR® will continue to promote the most up-to-date information about your property.



Making and Offer and Negotiating

After viewing many properties and discussing the pros and cons of each home with your REALTOR®, you are finally ready to make an offer.

As a seller, you're likely anxiously awaiting word from your agent about potential offers. Emotions are tense, and you're probably ready for this to be done!

Thankfully, REALTORS® have a variety of standard forms that are kept up to date with the changing laws – this is very important for buyers. In many states, sellers must comply with certain disclosure, and a REALTOR® will ensure that they do, as well as answer any questions you may have during the sale.

If you thought your REALTOR® was busy while marketing the property, check out a few of their responsibilities as they [negotiate on your behalf](#):

- Receive and review all Offer to Purchase contracts submitted by buyers or buyers' agents
- Counsel seller on offers; Explain merits and weakness of each component of each offer
- Contact buyers' agents to review buyer's qualifications and discuss offer
- Confirm buyer is pre-qualified by calling Loan Officer
- Negotiate all offers on seller's behalf, setting time limit for loan approval and closing date
- Prepare and convey any counteroffers, acceptance or amendments to buyer's agent
- Fax copies of contract and all addendums to closing attorney or Title Company
- Record and promptly deposit buyer's earnest money in escrow account
- Disseminate "Under-Contract Showing Restrictions" as seller requests
- Deliver copies of fully signed Offer to Purchase contract to seller
- Fax/deliver copies of Offer to Purchase contract to Selling Agent and the mortgage lender
- Change status in MLS to "Sale Pending"
- Update transaction management program to show "Sale Pending"
- Review buyer's credit report results — Advise seller of worst and best case scenarios

Making an Offer and Negotiating

Your agent will work with you through the offer and negotiating process. Negotiating is an important skill that your REALTOR® has developed over many years in the real estate industry.

Remember: Homes listed with a REALTOR® sell for an average of 27% more than those sold by owner. That can amount to tens of thousands of dollars in your pocket.

And buyers who are represented by their own agent have more negotiating power than those who rely on the listing agent, or do it alone.

Key takeaways:

- ✓ Your REALTOR® will work with you to draft an offer or evaluate offers from prospective buyers.
- ✓ Your REALTOR® is negotiating on your behalf – they want to get you the best price.



Closing and Beyond

Once your offer is accepted, your inspections are complete, and your financing is in order, you'll likely breathe a sigh of relief and turn your attention to packing for the move.

But before you're handed the keys to your new home, there are a few important steps that need to occur leading up to closing day.

Closing day involves the formal, legal requirement of transferring ownership from the seller to the buyer. Here are some of the tasks your REALTOR® will coordinate to ensure you're ready for the closing:

- Contract is signed by all parties
- Update closing forms and files
- Ensure all parties have all forms and information needed to close the sale
- Select location where closing will be held
- Confirm closing date and time and notify all parties
- Assist in solving any title problems (boundary disputes, easements, etc.)
- Request final closing figures from closing agent (attorney or title company)
- Receive and carefully review closing figures to ensure accuracy of preparation

- Forward verified closing figures to buyer's agent
- Request copy of closing documents from closing agent
- Confirm buyer and buyer's agent have received title insurance commitment
- Provide "Home Owners Warranty" for availability at closing
- Review all closing documents carefully for errors
- Provide earnest money deposit check from escrow account to closing agent
- Coordinate this closing with seller's next purchase and resolve any timing problems
- Have a "no surprises" closing so that seller receives a net proceeds check at closing
- Change MLS status to Sold. Enter sale date, price, selling broker and agent's ID numbers, etc.
- Close out listing in transaction management program

Your team of professionals – your REALTOR® and your lender—will have provided you with good service throughout your home search, so you should be well-prepared the closing.

Closing and Beyond

What Happens at the Closing?

As a buyer, you'll sign a stack of legal documents including paperwork related to your mortgage and paperwork related to the transfer of ownership of the property.

You'll also pay closing costs and fees and the initially required escrow payments for your homeowner's insurance and property taxes.

Typically, your real estate agent will attend your closing and usually the seller's agent and the seller will attend as well. Some lenders attend the closing, but others simply provide the loan documents to the title company.

When your closing is complete, you should not only have your keys to your new home, but you also need a stack of documents for future tax returns and when/if you eventually sell the property.

Even though you've closed on your property, that doesn't mean your REALTOR® will disappear. They're available to answer questions or attempt to clarify and resolve any conflicts that may arise.

You should keep in contact with your REALTOR® because they are a tremendous resource for you.

Even though you're not actively working with a REALTOR®, they're working to make home ownership possible:

- ✓ REALTORS® fought to keep the [mortgage interest deduction](#) rate, putting an average of \$3,000 back in your pocket.
- ✓ REALTORS® are working to preserve the American Dream with the [Home Ownership Matters campaign](#); this involves outreach to lawmakers, consumers, thought leaders, and the media.

Conclusion

As you can see, buying and selling real estate isn't quite as easy as it looks on TV. There are many moving parts and potential pitfalls. It helps to have a professional looking out for your best interest.

If you're experiencing the "**Fear of Reaching Out**," hopefully this guide has shown you there's nothing to be nervous about. Your REALTOR® is on your side.

Want to learn more? Check out the [Home-Buying Process in Plain English with Elizabeth Banks](#).

Ready to contact a REALTOR®? Search the Akron Cleveland Association of REALTORS® online directory by [clicking here](#).

The Akron Cleveland Association of REALTORS®, abbreviated ACAR, is a professional organization for real estate professionals who sell real property and businesses that work in or with the real estate industry. The organization is part of the National Association of REALTORS® (NAR).

